

**Powertech Technology Inc. and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2021 and 2020 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Powertech Technology Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Powertech Technology Inc. and its subsidiaries (the "Corporation"), as of March 31, 2021 and 2020 and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three-months periods then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 12 to the consolidated financial statements, we did not review the financial statements of some immaterial subsidiaries, which included in the consolidated financial statements, as of and for the three months ended March 31, 2021 and 2020, which represented total assets of 5.26% \$5,746,613 thousand and 13.38% \$14,506,071 thousand of the consolidated assets; and total liabilities of 5.57% \$2,722,857 thousand and 11.61% \$6,008,723 thousand of the consolidated liabilities. These statements also reflected these subsidiaries' comprehensive income of 14.69% \$297,456 thousand and (0.73)% \$(14,516) thousand of the consolidated comprehensive income for the three months ended March 31, 2021 and 2020, respectively. These investment amounts, as well as related information disclosed in Note 31 to the consolidated financial statements, were based on unreviewed financial statements of the investees for the same reporting periods as those of the Corporation and subsidiaries.

Qualified Conclusion

Based on our reviews, except for the consolidated financial statements of subsidiaries and investees as well as related information disclosed referred to in preceding paragraph, were based on unreviewed financial statements of the investees for the same reporting periods as those of the Corporation and subsidiaries, if those consolidated financial statements had been reviewed and any adjustments were determined to be necessary, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of the Corporation as of March 31, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China

The engagement partners on the reviews resulting in this independent auditors’ review report are Yu-Feng Huang and Cheng-Chih Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2021

Notice to Readers

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

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)		LIABILITIES AND EQUITY	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Note 6)	\$ 22,467,343	21	\$ 21,019,812	19	\$ 19,769,150	18	Short-term bank loans (Note 17)	\$ 77,280	-	\$ 196,982	-	\$ 1,289,724	1
Financial assets at fair value through profit or loss - current (Note 7)	104,647	-	169,467	-	103,479	-	Financial liabilities at fair value through profit or loss - current (Note 7)	87,654	-	5,435	-	18,336	-
Financial assets at amortized cost - current (Notes 9 and 28)	454,761	-	463,275	1	550,370	1	Contract liabilities - current (Note 21)	51,770	-	56,676	-	46,294	-
Contract assets - current (Notes 21 and 27)	2,088,039	2	2,211,796	2	2,105,657	2	Notes and accounts payable	5,158,632	5	5,037,670	5	5,981,787	6
Notes and accounts receivable (Notes 10 and 21)	9,967,095	9	8,482,217	8	9,153,494	9	Accounts payable to related parties (Note 27)	168,687	-	134,111	-	99,951	-
Receivables from related parties (Notes 21 and 27)	5,252,616	5	6,284,453	6	5,615,318	5	Bonus to employees and remuneration to directors (Note 22)	1,323,946	1	1,002,684	1	1,026,221	1
Other receivables	243,587	-	362,733	-	464,424	-	Payables to equipment suppliers	1,968,129	2	1,651,834	1	3,602,375	3
Other receivables from related parties (Note 27)	25,587	-	48,854	-	12,108	-	Other payables - related parties (Note 27)	1,056	-	-	-	917	-
Inventories (Note 11)	5,050,196	5	4,974,736	5	4,428,611	4	Current income tax liabilities (Notes 4 and 23)	1,684,805	2	1,304,992	1	1,272,494	1
Prepaid expenses	144,282	-	151,852	-	229,246	-	Lease liabilities - current (Note 14)	74,673	-	106,102	-	193,820	-
Other current assets (Note 16)	476,961	-	421,398	-	739,559	1	Accrued expenses and other current liabilities (Note 18)	5,967,618	6	6,346,355	6	6,856,992	6
							Current portion of long-term debts (Notes 17 and 28)	455,827	-	1,022,165	1	384,850	1
Total current assets	46,275,114	42	44,590,593	41	43,171,416	40	Total current liabilities	17,020,077	16	16,865,006	15	20,773,761	19
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	35,243	-	35,288	-	25,259	-	Long-term debt (Notes 17 and 28)	29,710,521	27	31,351,658	29	28,614,310	27
Financial assets at amortized cost - noncurrent (Notes 9 and 28)	897,995	1	893,025	1	1,290,047	1	Deferred income tax liabilities (Notes 4 and 23)	157,722	-	131,491	-	125,814	-
Property, plant and equipment (Notes 13 and 28)	59,175,252	54	60,111,194	55	60,577,297	56	Lease liabilities - non-current (Note 14)	1,409,853	1	1,430,937	1	1,502,952	2
Right-of-use assets (Note 14)	1,579,658	2	1,710,792	2	1,869,947	2	Net defined benefit liability - noncurrent (Notes 4 and 19)	394,890	1	401,784	1	391,774	-
Intangible assets (Note 15)	990,579	1	1,002,475	1	1,027,698	1	Other noncurrent liabilities (Note 18)	157,520	-	160,725	-	333,484	-
Deferred income tax assets (Notes 4 and 23)	226,840	-	305,185	-	340,760	-	Total non-current liabilities	31,830,506	29	33,476,595	31	30,968,334	29
Other noncurrent assets (Note 16)	99,836	-	97,688	-	139,024	-	Total liabilities	48,850,583	45	50,341,601	46	51,742,095	48
Total non-current assets	63,005,403	58	64,155,647	59	65,270,032	60	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Note 20)						
							Capital stock						
							Common stock	7,791,466	7	7,791,466	7	7,791,466	7
							Capital surplus	231,294	-	231,294	-	209,852	-
							Retained earnings						
							Legal reserve	7,628,495	7	7,628,495	7	7,045,884	6
							Special reserve	324,741	-	324,741	-	195,070	-
							Unappropriated earnings	32,316,749	30	30,608,443	28	29,839,599	28
							Total retained earnings	40,269,985	37	38,561,679	35	37,080,553	34
							Other equity	(512,141)	(1)	(366,982)	-	(310,338)	-
							Treasury stock	(229,334)	-	(229,334)	-	(175,979)	-
							Equity attributable to shareholders of the Parent	47,551,270	43	45,988,123	42	44,595,554	41
							NON-CONTROLLING INTERESTS (Notes 12 and 20)						
								12,878,664	12	12,416,516	12	12,103,799	11
							Total equity	60,429,934	55	58,404,639	54	56,699,353	52
TOTAL	\$ 109,280,517	100	\$ 108,746,240	100	\$ 108,441,448	100	TOTAL	\$ 109,280,517	100	\$ 108,746,240	100	\$ 108,441,448	100

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

(With Deloitte & Touche review report dated May 7, 2021)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
NET SALES (Notes 21 and 27)	\$ 18,429,233	100	\$ 18,811,680	100
OPERATING COSTS (Notes 11, 22 and 27)	<u>14,538,254</u>	<u>79</u>	<u>15,086,559</u>	<u>80</u>
GROSS PROFIT	<u>3,890,979</u>	<u>21</u>	<u>3,725,121</u>	<u>20</u>
OPERATING EXPENSES (Note 22)				
Marketing	91,853	1	88,491	1
General and administrative	451,983	2	436,937	2
Research and development	589,846	3	590,633	3
Expected credit gain (Note 10)	<u>(60,037)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>1,073,645</u>	<u>6</u>	<u>1,116,061</u>	<u>6</u>
OPERATING INCOME	<u>2,817,334</u>	<u>15</u>	<u>2,609,060</u>	<u>14</u>
NONOPERATING INCOME AND EXPENSES				
Interest income (Note 22)	9,759	-	22,470	-
Other gains and losses (Notes 22 and 27)	16,161	-	(140,063)	(1)
Miscellaneous income (Note 22)	23,721	-	24,087	-
Financial costs (Note 22)	(60,787)	-	(77,404)	-
Foreign exchange (losses) and gains, net (Notes 22 and 30)	<u>(8,439)</u>	<u>-</u>	<u>91,185</u>	<u>1</u>
Total nonoperating expenses	<u>(19,585)</u>	<u>-</u>	<u>(79,725)</u>	<u>-</u>
INCOME BEFORE INCOME TAX	2,797,749	15	2,529,335	14
INCOME TAX EXPENSE (Notes 4 and 23)	<u>522,454</u>	<u>3</u>	<u>568,675</u>	<u>3</u>
NET INCOME	<u>2,275,295</u>	<u>12</u>	<u>1,960,660</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 20)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income	(45)	-	(834)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	<u>(249,955)</u>	<u>(1)</u>	<u>26,863</u>	<u>-</u>
Total other comprehensive (loss) income	<u>(250,000)</u>	<u>(1)</u>	<u>26,029</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,025,295</u>	<u>11</u>	<u>\$ 1,986,689</u>	<u>11</u>

(Continued)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO				
Shareholders of the Parent	\$ 1,708,306	9	\$ 1,632,935	8
Non-controlling interests	<u>566,989</u>	<u>3</u>	<u>327,725</u>	<u>2</u>
	<u>\$ 2,275,295</u>	<u>12</u>	<u>\$ 1,960,660</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Shareholders of the Parent	\$ 1,563,147	8	\$ 1,647,338	9
Non-controlling interests	<u>462,148</u>	<u>3</u>	<u>339,351</u>	<u>2</u>
	<u>\$ 2,025,295</u>	<u>11</u>	<u>\$ 1,986,689</u>	<u>11</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 2.21</u>		<u>\$ 2.10</u>	
Diluted	<u>\$ 2.20</u>		<u>\$ 2.09</u>	

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

(With Deloitte & Touche review report dated May 7, 2021)

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Equity Attributable to Shareholders of the Parent											Noncontrolling Interests	Total Equity
	Capital Stock		Capital Surplus	Retained Earnings			Other Equity		Treasury Share	Total			
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE, JANUARY 1, 2020	779,147	\$ 7,791,466	\$ 209,852	\$ 7,045,884	\$ 195,070	\$ 28,206,664	\$ (299,686)	\$ (25,055)	\$ (96,467)	\$ 43,027,728	\$ 11,870,235	\$ 54,897,963	
Net income for the three months ended March 31, 2020	-	-	-	-	-	1,632,935	-	-	-	1,632,935	327,725	1,960,660	
Other comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	-	15,237	(834)	-	14,403	11,626	26,029	
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	1,632,935	15,237	(834)	-	1,647,338	339,351	1,986,689	
The Parent's share held by its subsidiary treated as treasury share	-	-	-	-	-	-	-	-	(79,512)	(79,512)	(105,787)	(185,299)	
BALANCE, MARCH 31, 2020	<u>779,147</u>	<u>\$ 7,791,466</u>	<u>\$ 209,852</u>	<u>\$ 7,045,884</u>	<u>\$ 195,070</u>	<u>\$ 29,839,599</u>	<u>\$ (284,449)</u>	<u>\$ (25,889)</u>	<u>\$ (175,979)</u>	<u>\$ 44,595,554</u>	<u>\$ 12,103,799</u>	<u>\$ 56,699,353</u>	
BALANCE, JANUARY 1, 2021	779,147	\$ 7,791,466	\$ 231,294	\$ 7,628,495	\$ 324,741	\$ 30,608,443	\$ (352,472)	\$ (14,510)	\$ (229,334)	\$ 45,988,123	\$ 12,416,516	\$ 58,404,639	
Net income for the three months ended March 31, 2021	-	-	-	-	-	1,708,306	-	-	-	1,708,306	566,989	2,275,295	
Other comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	-	(145,114)	(45)	-	(145,159)	(104,841)	(250,000)	
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	1,708,306	(145,114)	(45)	-	1,563,147	462,148	2,025,295	
BALANCE, MARCH 31, 2021	<u>779,147</u>	<u>\$ 7,791,466</u>	<u>\$ 231,294</u>	<u>\$ 7,628,495</u>	<u>\$ 324,741</u>	<u>\$ 32,316,749</u>	<u>\$ (497,586)</u>	<u>\$ (14,555)</u>	<u>\$ (229,334)</u>	<u>\$ 47,551,270</u>	<u>\$ 12,878,664</u>	<u>\$ 60,429,934</u>	

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

(With Deloitte & Touche audit report dated May 7, 2021)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Three Months Ended March 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Current income before income tax	\$ 2,797,749	\$ 2,529,335
Adjustments for:		
Depreciation	3,343,679	3,192,844
Amortization	10,072	34,011
Expected credit gain	(60,037)	-
Net loss on fair value change of financial assets designated as at fair value through profit or loss	50,142	17,017
Financial costs	60,787	77,404
Premium amortization of financial assets at amortized cost	-	280
Interest revenue	(9,759)	(22,470)
Net gain on disposal of property, plant and equipment	(419,705)	(43,811)
Property, plant and equipment transfer to expenses	842	167,262
Gain on foreign currency exchange, net	(103,328)	(73,155)
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets mandatorily classified as at fair value through profit or loss	14,678	(49,289)
Decrease in contract assets	123,757	64,799
(Increase) decrease in notes and accounts receivable	(1,369,271)	401,319
Decrease (increase) in accounts receivable from related parties	1,072,067	(1,320,939)
Decrease (increase) in other receivables	112,365	(153,061)
Decrease (increase) in other receivables from related parties	22,570	(32,806)
Increase in inventories	(75,460)	(549,586)
Decrease (increase) in prepayments	7,570	(2,164)
Increase in other current assets	(55,563)	(184,769)
Increase in financial liability held for trading	82,219	14,383
Decrease in contract liabilities	(4,906)	(16,164)
Increase in notes and accounts payable	109,450	179,819
Increase (decrease) in accounts payable to related parties	33,312	(20,821)
Increase in bonus to employees and remuneration of directors	321,262	234,100
Increase (decrease) in other payables to related parties	1,056	(16,530)
Decrease in accrued expenses and other current liabilities	(377,514)	(150,830)
Decrease in net defined benefit liability	(6,894)	(4,011)
(Decrease) increase in other accounts payable	(3,204)	2,340
Cash generated from operations	<u>5,677,936</u>	<u>4,274,507</u>
Interest received	9,826	22,066
Interest paid	(78,484)	(99,867)
Income tax paid	<u>(38,065)</u>	<u>(19,591)</u>
Net cash generated from operating activities	<u>5,571,213</u>	<u>4,177,115</u>

(Continued)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Three Months Ended March 31	
	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	\$ (26,764)	\$ (18)
Proceeds from sale of financial assets at amortized cost	8,607	214,349
Acquisition of property, plant and equipment	(2,621,117)	(5,734,085)
Disposal of property, plant and equipment	950,007	60,783
Increase in refundable deposits	(10,349)	(6,791)
Increase in intangible assets	(1,347)	(1,704)
Decrease (increase) in prepayments for equipment	<u>8,398</u>	<u>(6,142)</u>
Net cash used in investing activities	<u>(1,692,565)</u>	<u>(5,473,608)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease (increase) in short-term bank loans	(119,702)	107,441
Increase in long-term debts	6,545,589	644,296
Decrease in long-term debts	(8,731,312)	(1,283,326)
Decrease in guarantee deposits	(1)	(4)
Repayment of the principal portion of lease liabilities	(40,306)	(60,912)
Payments for buy-back of treasury shares	<u>-</u>	<u>(185,299)</u>
Net cash used in financing activities	<u>(2,345,732)</u>	<u>(777,804)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(85,385)</u>	<u>43,399</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,447,531	(2,030,898)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>21,019,812</u>	<u>21,800,048</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 22,467,343</u>	<u>\$ 19,769,150</u>

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

(With Deloitte & Touche review report dated May 7, 2021)

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Board of Directors and issued on May 7, 2021.

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

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

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

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

New IFRSs	Effective Date Announced by International Accounting Standards Board (IASB) (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
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

(Continued)

New IFRSs	Effective Date Announced by International Accounting Standards (IASB) (Note 1)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 6)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts-Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

(Concluded)

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

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

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

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

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

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

See Notes 12 and 31k for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2020.

1) Retirement benefits

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

2) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical accounting judgments and key sources of estimation uncertainty followed in these consolidated financial statements refer to the consolidated financial statements for the year ended December 31, 2020.

6. CASH AND CASH EQUIVALENTS

	March 31, 2021	December 31, 2020	March 31, 2020
Checking accounts and demand deposits	\$ 22,467,033	\$ 21,019,281	\$ 19,768,520
Cash on hand	<u>310</u>	<u>531</u>	<u>630</u>
	<u>\$ 22,467,343</u>	<u>\$ 21,019,812</u>	<u>\$ 19,769,150</u>

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

	March 31, 2021	December 31, 2020	March 31, 2020
Bank deposits	0%-2.03%	0%-2.30%	0%-2.92%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 1,117	\$ 43,567	\$ 3,479
Non-derivative financial assets			
Mutual funds	<u>103,530</u>	<u>125,900</u>	<u>100,000</u>
	<u>\$ 104,647</u>	<u>\$ 169,467</u>	<u>\$ 103,479</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>\$ 87,654</u>	<u>\$ 5,435</u>	<u>\$ 18,336</u>

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

	Currency	Maturity Date	Contract Amounts (In Thousands)
<u>March 31, 2021</u>			
Sell forward exchange contracts	USD to NTD	2021.04.01-2021.06.30	USD 139,395
	USD to JPY	2021.04.06-2021.07.26	USD 18,578
	USD to CNY	2021.04.08-2021.06.15	USD 6,456
<u>December 31, 2020</u>			
Sell forward exchange contracts	USD to NTD	2021.01.04-2021.03.31	USD 149,637
	USD to JPY	2021.01.08-2021.04.19	USD 9,052
	USD to CNY	2021.01.14-2021.03.22	USD 7,417
<u>March 31, 2020</u>			
Sell forward exchange contracts	USD to NTD	2020.04.01-2020.07.01	USD 88,811
	USD to JPY	2020.04.03-2020.08.07	USD 17,935
	USD to CNY	2020.04.14	USD 848

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

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Non-current</u>			
Domestic investments			
Listed shares			
Ordinary shares - Solid State System Co., Ltd.	\$ 35,243	\$ 35,288	\$ 25,259

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Domestic investments			
Corporate bonds - P07 Taiwan Power Company 1A Bond	\$ 200,000	\$ 200,000	\$ -
Corporate bonds - P06 FPC 1A Bond	50,000	50,000	-
Corporate bonds - P06 Taiwan Power Company 3A Bond	50,000	50,000	-
Corporate bonds - 02 Taiwan Power Company 1B Bond	-	-	150,109
Corporate bonds - P04 FENC 4 Bond	-	-	100,000
Time deposits with original maturities of more than 3 months	-	7,982	8,470
Pledged time deposits	25,564	26,200	21,264
Restricted deposit	<u>129,197</u>	<u>129,093</u>	<u>270,527</u>
	<u>\$ 454,761</u>	<u>\$ 463,275</u>	<u>\$ 550,370</u>

Non-current

Domestic investments			
Corporate bonds - P06 Taiwan Power Company 1A Bond	\$ 300,000	\$ 300,000	\$ 300,001
Corporate bonds - P08 Taiwan Power Company 3A Bond	100,001	100,001	100,001
Corporate bonds - P06 Taiwan Power Company 3A Bond	50,000	50,000	100,000
Corporate bonds - P06 FPC 1A Bond	50,000	50,000	100,000
Corporate bonds - P07 Taiwan Power Company 1A Bond	-	-	200,000

(Continued)

	March 31, 2021	December 31, 2020	March 31, 2020
Time deposits with original maturities of more than 3 months	\$ 309,120	\$ 304,150	\$ 401,171
Pledged time deposits	<u>88,874</u>	<u>88,874</u>	<u>88,874</u>
	<u>\$ 897,995</u>	<u>\$ 893,025</u>	<u>\$ 1,290,047</u> (Concluded)

On November 16, 2015, the Corporation bought corporate bonds issued by Far Eastern New Century Corporation, which have an effective interest rate of 1.25%; a premium value of \$100,001 thousand (par value \$100,000 thousand); and maturity date on November 16, 2020.

On September 26, 2016, the Corporation bought corporate bonds issued by Taiwan Power Company with an effective interest rate of 0.63% at premium value \$154,054 thousand (par value \$150,000 thousand), and a maturity date of May 6, 2020.

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

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

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

On May 14, 2018, the Corporation bought corporate bonds issued by Taiwan Power Company with an effective interest rate of 0.70% at premium value \$200,001 thousand (par value \$200,000 thousand), and a maturity date of May 14, 2021.

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

The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.001%-0.01%, 0.001%-0.46% and 0.001%-1.96% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

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

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

10. NOTES AND ACCOUNTS RECEIVABLE, NET

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Notes receivable</u>			
Notes receivable - operating	\$ 109,665	\$ 119,529	\$ 77,457
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	9,913,200	8,393,214	9,135,518
Less: Allowance for impairment loss	<u>(55,770)</u>	<u>(30,526)</u>	<u>(59,481)</u>
	<u>9,857,430</u>	<u>8,362,688</u>	<u>9,076,037</u>
	<u>\$ 9,967,095</u>	<u>\$ 8,482,217</u>	<u>\$ 9,153,494</u>

At amortized cost

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

The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate. As the Corporation's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Corporation's different customer base.

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

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

March 31, 2021

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$ 9,867,269	\$ 40,632	\$ 2,784	\$ 1,921	\$ 594	\$ 9,913,200
Loss allowance (Lifetime ECLs)	<u>(39,195)</u>	<u>(11,977)</u>	<u>(2,083)</u>	<u>(1,921)</u>	<u>(594)</u>	<u>(55,770)</u>
Amortized cost	<u>\$ 9,828,074</u>	<u>\$ 28,655</u>	<u>\$ 701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,857,430</u>

December 31, 2020

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$ 8,333,131	\$ 47,206	\$ 7,167	\$ 4,657	\$ 1,053	\$ 8,393,214
Loss allowance (Lifetime ECLs)	<u>(8,462)</u>	<u>(14,602)</u>	<u>(4,499)</u>	<u>(2,941)</u>	<u>(22)</u>	<u>(30,526)</u>
Amortized cost	<u>\$ 8,324,669</u>	<u>\$ 32,604</u>	<u>\$ 2,668</u>	<u>\$ 1,716</u>	<u>\$ 1,031</u>	<u>\$ 8,362,688</u>

March 31, 2020

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$ 8,944,868	\$ 64,393	\$ 24,776	\$ 80,811	\$ 20,670	\$ 9,135,518
Loss allowance (Lifetime ECLs)	<u>(2,051)</u>	<u>(7,834)</u>	<u>(3,374)</u>	<u>(26,450)</u>	<u>(19,772)</u>	<u>(59,481)</u>
Amortized cost	<u>\$ 8,942,817</u>	<u>\$ 56,559</u>	<u>\$ 21,402</u>	<u>\$ 54,361</u>	<u>\$ 898</u>	<u>\$ 9,076,037</u>

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

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 30,526	\$ 59,481
Add: Amounts recovered	85,281	-
Less: Net remeasurement of loss allowance	<u>(60,037)</u>	<u>-</u>
Balance at March 31	<u>\$ 55,770</u>	<u>\$ 59,481</u>

11. INVENTORIES

	March 31, 2021	December 31, 2020	March 31, 2020
Raw materials	\$ 4,501,686	\$ 4,445,489	\$ 3,940,173
Supplies	<u>548,510</u>	<u>529,247</u>	<u>488,438</u>
	<u>\$ 5,050,196</u>	<u>\$ 4,974,736</u>	<u>\$ 4,428,611</u>

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

	For the Three Months Ended March 31	
	2021	2020
Cost of inventories sold	<u>\$ 14,538,254</u>	<u>\$ 15,086,559</u>
Write-downs of inventories	<u>\$ 41,464</u>	<u>\$ 101,396</u>
Unallocated production overhead	<u>\$ 872,662</u>	<u>\$ 872,271</u>
Sales of scrap	<u>\$ 39,229</u>	<u>\$ 36,540</u>

12. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			March 31, 2021	December 31, 2020	March 31, 2020	
Powertech Technology Inc.	POWERTECH HOLDING (BVI) INC.	Investment business	100	100	100	2
	Greatek Electronics Inc. ("GEL")	Semiconductor assembly and testing service	43	43	43	Notes 1 and 4
	Powertech Technology (Singapore) Pte. Ltd.	Integrated circuit testing and assembly service	100	100	100	Notes 2 and 6
	Powertech Technology (Xian) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	36	36	36	Note 3
	Powertech Technology (Suzhou) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	9	9	-	Notes 3 and 5
	Powertech Technology Japan Ltd.	Investment business	100	100	100	Note 2
	Tera Probe, Inc.	Wafer probing test services	12	12	12	Notes 2 and 4
POWERTECH HOLDING (BVI) INC.	TeraPower Technology Inc.	Wafer probing test services	49	49	49	-
	PTI TECHNOLOGY (SINGAPORE) PTE. LTD.	Investment business	100	100	100	Note 2
	PTI TECHNOLOGY (SINGAPORE) PTE. LTD.	Semiconductor testing design, manufacturing, sales business and assembly services	72	72	100	Notes 3 and 5
	Powertech Technology (Singapore) Pte. Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	64	64	64	Note 3
	Powertech Technology (Suzhou) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	19	19	-	Notes 3 and 5
	Powertech Technology Japan Ltd.	Wafer probing test services	49	49	49	Notes 2 and 4
	Powertech Technology Akita Inc.	Semiconductor assembly and testing service	100	100	100	Notes 2 and 6
Tera Probe, Inc.	TeraPower Technology Inc.	Wafer probing test services	51	51	51	-
	Tera Probe Aizu, Inc.	Wafer probing test services	100	100	100	Note 2

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

Note 2: It is a non-significant subsidiary, its financial statements for three months ended March 31, 2021 and 2020 have not been reviewed.

Note 3: It is a non-significant subsidiary, its financial statements for three months ended March 31, 2021 have not been reviewed.

Note 4: Subsidiaries that have material non-controlling interests.

Note 5: PTI TECHNOLOGY (SINGAPORE) PTE. LTD. held 72%, Powertech Technology Inc. held 9%, and Powertech Technology (Singapore) Pte. Ltd. held 19% of Powertech Technology (Suzhou) Ltd. as of December 31, 2020.

Note 6: Due to the adjustment of operating requirements, the Corporation ceased the operation of Powertech Technology Akita Inc. and scaled down the operation of Powertech Technology (Singapore) Pte. Ltd.

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

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		March 31, 2021	December 31, 2020	March 31, 2020
Greatek Electronics Inc.	Zhunan Township, Miaoli County	57%	57%	57%
Tera Probe, Inc.	Japan	39%	39%	39%

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Three Months Ended March 31		Accumulated Non-controlling Interests		
	2021	2020	March 31, 2021	December 31, 2020	March 31, 2020
	Greatek Electronics Inc.	\$ 529,252	\$ 305,305	\$ 10,576,682	\$ 10,047,430
Tera Probe, Inc.	\$ 37,737	\$ 22,420	\$ 2,301,982	\$ 2,369,086	\$ 2,418,412

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.

	March 31, 2021	December 31, 2020	March 31, 2020
Current assets	\$ 9,918,076	\$ 9,444,467	\$ 8,146,472
Non-current assets	12,749,293	12,087,657	11,720,037
Current liabilities	(3,400,963)	(3,262,656)	(2,460,464)
Non-current liabilities	<u>(274,117)</u>	<u>(272,749)</u>	<u>(249,053)</u>
Equity	<u>\$ 18,992,289</u>	<u>\$ 17,996,719</u>	<u>\$ 17,156,992</u>
Equity attributable to:			
Owners of the Parent	\$ 8,148,677	\$ 7,722,605	\$ 7,361,239
Non-controlling interests	<u>10,843,612</u>	<u>10,274,114</u>	<u>9,795,753</u>
	<u>\$ 18,992,289</u>	<u>\$ 17,996,719</u>	<u>\$ 17,156,992</u>

	For the Three Months Ended March 31	
	2021	2020
Operating revenue	<u>\$ 4,215,598</u>	<u>\$ 3,272,699</u>
Net income for the period	\$ 930,168	\$ 544,107
Other comprehensive income (loss) for the period	<u>65,402</u>	<u>(41,745)</u>
Total comprehensive income for the period	<u>\$ 995,570</u>	<u>\$ 502,362</u>

(Continued)

	For the Three Months Ended March 31	
	2021	2020
Net income attributable to:		
Owners of the Parent	\$ 399,090	\$ 233,451
Non-controlling interests	<u>531,078</u>	<u>310,656</u>
	<u>\$ 930,168</u>	<u>\$ 544,107</u>
Total comprehensive income attributable to:		
Owners of the Parent	\$ 427,151	\$ 215,540
Non-controlling interests	<u>568,419</u>	<u>286,822</u>
	<u>\$ 995,570</u>	<u>\$ 502,362</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 1,633,399	\$ 1,045,160
Investing activities	(1,350,258)	(1,168,119)
financing activities	<u>(306)</u>	<u>(300)</u>
Net cash inflow (outflow)	<u>\$ 282,835</u>	<u>\$ (123,259)</u> (Concluded)

Tera Probe, Inc.

	March 31, 2021	December 31, 2020	March 31, 2020
Current assets	\$ 2,498,225	\$ 2,768,527	\$ 2,595,923
Non-current assets	4,211,606	4,317,275	4,689,330
Current liabilities	(677,623)	(817,436)	(873,811)
Non-current liabilities	<u>(493,561)</u>	<u>(565,964)</u>	<u>(605,395)</u>
Equity	<u>\$ 5,538,647</u>	<u>\$ 5,702,402</u>	<u>\$ 5,806,047</u>
Equity attributable to:			
Owners of the Parent	\$ 3,359,190	\$ 3,458,507	\$ 3,521,367
Non-controlling interests	<u>2,179,457</u>	<u>2,243,895</u>	<u>2,284,680</u>
	<u>\$ 5,538,647</u>	<u>\$ 5,702,402</u>	<u>\$ 5,806,047</u>

	For the Three Months Ended March 31	
	2021	2020
Operating revenue for the period	<u>\$ 385,372</u>	<u>\$ 403,649</u>
Net income	\$ 76,630	\$ 37,707
Other comprehensive income (loss) for the period	<u>152,241</u>	<u>(5,899)</u>
Total comprehensive income for the period	<u>\$ 228,871</u>	<u>\$ 31,808</u> (Continued)

	For the Three Months Ended March 31	
	2021	2020
Net income attributable to:		
Owners of the Parent	\$ 46,475	\$ 22,869
Non-controlling interests	<u>30,155</u>	<u>14,838</u>
	<u>\$ 76,630</u>	<u>\$ 37,707</u>
Total comprehensive income attributable to:		
Owners of the Parent	\$ 138,806	\$ 19,291
Non-controlling interests	<u>90,065</u>	<u>12,517</u>
	<u>\$ 228,871</u>	<u>\$ 31,808</u>
Net cash inflow (outflow) from:		
Operating activities	\$ (81,865)	\$ (678,287)
Investing activities	258,454	1,644,506
financing activities	<u>(354,980)</u>	<u>(991,653)</u>
Net cash outflow	<u>\$ (178,391)</u>	<u>\$ (25,434)</u> (Concluded)

13. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2021	December 31, 2020	March 31, 2020							
Assets used by the Corporation	<u>\$ 59,175,252</u>	<u>\$ 60,111,194</u>	<u>\$ 60,577,297</u>							
	Land	Building	Machinery and Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Advance Payments	Spare parts	Total
<u>Cost</u>										
Balance at January 1, 2021	\$ 3,442,706	\$ 27,495,212	\$ 103,858,997	\$ 2,514,788	\$ 413,336	\$ 3,722,627	\$ 2,294,972	\$ 3,952,441	\$ 203,042	\$ 147,898,121
Additions	-	441	1,038	6,087	-	10,817	483,934	2,345,710	134,837	2,982,864
Disposals	-	(9,939)	(1,741,340)	(47,054)	(313,919)	(10,718)	-	-	(135,778)	(2,258,748)
Reclassified	-	215,231	1,716,679	20,454	-	27,667	(78,220)	(1,541,662)	-	360,149
Effects of foreign currency exchange differences	(1,220)	(60,148)	(478,315)	(41,389)	(7,732)	90	-	(26,600)	(55)	(615,369)
Balance at March 31, 2021	<u>3,446,486</u>	<u>27,640,797</u>	<u>103,357,059</u>	<u>2,452,886</u>	<u>91,685</u>	<u>3,750,483</u>	<u>2,700,686</u>	<u>4,729,889</u>	<u>202,046</u>	<u>148,367,017</u>
<u>Accumulated depreciation</u>										
Balance at January 1, 2021	-	12,275,248	68,685,966	1,878,378	236,089	3,342,692	-	-	13,651	86,432,024
Depreciation expenses	-	354,607	2,736,080	51,008	173	51,211	-	-	122,184	3,315,263
Disposals	-	(9,939)	(1,206,434)	(43,015)	(223,280)	(10,718)	-	-	(135,778)	(1,629,164)
Reclassified	-	6,841	287,021	-	(6,841)	(19)	-	-	-	287,002
Effects of foreign currency exchange differences	-	(26,654)	(387,675)	(29,313)	(2,431)	162	-	-	(57)	(445,968)
Balance at March 31, 2021	<u>-</u>	<u>12,603,103</u>	<u>70,114,958</u>	<u>1,857,058</u>	<u>3,710</u>	<u>3,383,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,959,157</u>
<u>Accumulated impairment</u>										
Balance at January 1, 2021	1,749	425,731	639,988	100,528	141,178	-	-	45,729	-	1,354,903
Disposals	-	-	(25,269)	-	(74,013)	-	-	-	-	(99,282)
Effects of foreign currency exchange differences	(120)	(3,677)	(9,543)	(1,763)	(4,874)	-	-	(3,126)	-	(23,013)
Balance at March 31, 2021	<u>1,629</u>	<u>422,054</u>	<u>605,266</u>	<u>98,765</u>	<u>62,291</u>	<u>-</u>	<u>-</u>	<u>42,603</u>	<u>-</u>	<u>1,232,608</u>
Carrying amount at March 31, 2021	<u>\$ 3,439,857</u>	<u>\$ 14,618,640</u>	<u>\$ 32,636,835</u>	<u>\$ 497,063</u>	<u>\$ 25,684</u>	<u>\$ 367,155</u>	<u>\$ 2,700,686</u>	<u>\$ 4,687,286</u>	<u>\$ 202,046</u>	<u>\$ 59,175,252</u>
Carrying amount at December 31, 2020 and January 1, 2021	<u>\$ 3,440,957</u>	<u>\$ 14,794,233</u>	<u>\$ 34,533,043</u>	<u>\$ 535,882</u>	<u>\$ 36,069</u>	<u>\$ 379,935</u>	<u>\$ 2,294,972</u>	<u>\$ 3,906,712</u>	<u>\$ 189,391</u>	<u>\$ 60,111,194</u>

(Continued)

	Land	Building	Machinery and Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Advance Payments	Spare parts	Total
<u>Cost</u>										
Balance at January 1, 2020	\$ 3,443,310	\$ 27,220,089	\$ 96,574,165	\$ 2,365,767	\$ 426,189	\$ 3,705,720	\$ 1,413,214	\$ 5,274,732	\$ 161,417	\$140,584,603
Additions	-	32,227	268,911	24,796	101	4,859	418,600	4,245,505	111,319	5,106,318
Disposals	-	(15,963)	(558,870)	(1,836)	-	(15,044)	(8,239)	(1,132)	(102,129)	(703,213)
Reclassified	-	74,758	3,884,530	26,952	-	27,936	(255,874)	(3,925,564)	-	(167,262)
Effects of foreign currency exchange differences	182	(16,076)	65,991	(1,698)	2,304	1,432	2,011	1,241	79	55,466
Balance at March 31, 2020	<u>3,443,492</u>	<u>27,295,035</u>	<u>100,234,727</u>	<u>2,413,981</u>	<u>428,594</u>	<u>3,724,903</u>	<u>1,569,712</u>	<u>5,594,782</u>	<u>170,686</u>	<u>144,875,912</u>
<u>Accumulated depreciation</u>										
Balance at January 1, 2020	-	11,052,939	64,195,405	1,728,157	238,577	3,246,752	-	-	15,589	80,477,419
Depreciation expenses	-	361,245	2,551,791	61,989	5,333	54,020	-	-	102,450	3,136,828
Disposals	-	(14,533)	(552,995)	(1,540)	-	(15,044)	-	-	(102,129)	(686,241)
Reclassified	-	6,841	19	-	(6,841)	(19)	-	-	-	-
Effects of foreign currency exchange differences	-	(10,407)	51,098	(2,098)	1,276	1,204	-	-	78	41,151
Balance at March 31, 2020	<u>-</u>	<u>11,396,085</u>	<u>66,245,318</u>	<u>1,786,508</u>	<u>238,345</u>	<u>3,286,913</u>	<u>-</u>	<u>-</u>	<u>15,988</u>	<u>82,969,157</u>
<u>Accumulated impairment</u>										
Balance at January 1, 2020	1,753	434,093	666,461	101,000	78,663	-	45,425	-	-	1,327,395
Effects of foreign currency exchange differences	13	(1,268)	3,079	(476)	387	-	328	-	-	2,063
Balance at March 31, 2020	<u>1,766</u>	<u>432,825</u>	<u>669,540</u>	<u>100,524</u>	<u>79,050</u>	<u>-</u>	<u>45,753</u>	<u>-</u>	<u>-</u>	<u>1,329,458</u>
Carrying amount at March 31, 2020	<u>\$ 3,441,726</u>	<u>\$ 15,466,125</u>	<u>\$ 33,319,869</u>	<u>\$ 526,949</u>	<u>\$ 111,199</u>	<u>\$ 437,990</u>	<u>\$ 1,523,959</u>	<u>\$ 5,594,782</u>	<u>\$ 154,698</u>	<u>\$ 60,577,297</u>

(Concluded)

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	1-26 years
Wafer Fab	6-16 years
Fire control equipment	2-26 years
Others	2-51 years

Machinery and equipment

Office equipment	1-15 years
Leasehold improvements	2-50 years
Other equipment	1-16 years
Spare parts	0.5-2 years

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

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amount</u>			
Land	\$ 1,400,615	\$ 1,410,566	\$ 1,438,426
Buildings	6,902	28,682	97,200
Machinery and equipment	172,141	271,518	334,060
Transportation equipment	-	26	261
	<u>\$ 1,579,658</u>	<u>\$ 1,710,792</u>	<u>\$ 1,869,947</u>

	For the Three Months Ended March 31	
	2021	2020
Additions to right-of-use assets	\$ <u> -</u>	\$ <u> -</u>
Depreciation charge for right-of-use assets		
Land	\$ 9,028	\$ 9,278
Buildings	8,771	23,541
Machinery and equipment	10,591	23,119
Transportation equipment	<u> 26</u>	<u> 78</u>
	<u>\$ 28,416</u>	<u>\$ 56,016</u>

Except for the recognized depreciation, the Corporation did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2021 and 2020.

b. Lease liabilities

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amount</u>			
Current	\$ <u>74,673</u>	\$ <u>106,102</u>	\$ <u>193,820</u>
Non-current	\$ <u>1,409,853</u>	\$ <u>1,430,937</u>	\$ <u>1,502,952</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Land	1.13%-1.69%	1.10%-1.69%	1.10%-1.69%
Buildings	0.75%-3.77%	0.69%-3.77%	0.69%-3.77%
Machinery and equipment	0.80%-1.70%	0.80%-1.70%	0.80%-2.32%
Transportation equipment	-	1.13%	1.13%

c. Other lease information

	For the Three Months Ended March 31	
	2021	2020
Expenses relating to short-term leases	\$ <u>4,066</u>	\$ <u>4,152</u>
Total cash outflow for leases	\$ <u>(44,372)</u>	\$ <u>(65,064)</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.

15. INTANGIBLE ASSETS

	Computer Software	Goodwill	Core Techniques	Client Relationships	Royalty	Technique Services	Total
<u>Cost</u>							
Balance at January 1, 2021	\$ 632,953	\$ 979,819	\$ 247,464	\$ 220,775	\$ 9,587	\$ 88,894	\$ 2,179,492
Additions	1,347	-	-	-	-	-	1,347
Disposals	(6,299)	-	-	-	-	-	(6,299)
Effect of foreign currency exchange differences	(17,783)	-	27	-	(86)	-	(17,842)
Balance at March 31, 2021	<u>610,218</u>	<u>979,819</u>	<u>247,491</u>	<u>220,775</u>	<u>9,501</u>	<u>88,894</u>	<u>2,156,698</u>
<u>Accumulated amortization</u>							
Balance at January 1, 2021	585,776	-	247,464	220,775	5,947	88,894	1,148,856
Amortization expenses	9,355	-	-	-	717	-	10,072
Disposals	(6,299)	-	-	-	-	-	(6,299)
Effect of foreign currency exchange differences	(13,748)	-	27	-	(75)	-	(13,796)
Balance at March 31, 2021	<u>575,084</u>	<u>-</u>	<u>247,491</u>	<u>220,775</u>	<u>6,589</u>	<u>88,894</u>	<u>1,138,833</u>
<u>Accumulated impairment</u>							
Balance at January 1, 2021	28,161	-	-	-	-	-	28,161
Effect of foreign currency exchange differences	(875)	-	-	-	-	-	(875)
Balance at March 31, 2021	<u>27,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,286</u>
Carrying amount at March 31, 2021	<u>\$ 7,848</u>	<u>\$ 979,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,912</u>	<u>\$ -</u>	<u>\$ 990,579</u>
Carrying amount at December 31, 2020 and January 1, 2021	<u>\$ 19,016</u>	<u>\$ 979,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,640</u>	<u>\$ -</u>	<u>\$ 1,002,475</u>
<u>Cost</u>							
Balance at January 1, 2020	\$ 637,338	\$ 979,819	\$ 249,359	\$ 220,775	\$ 10,088	\$ 88,894	\$ 2,186,273
Additions	1,704	-	-	-	-	-	1,704
Disposals	(12,602)	-	-	-	(498)	-	(13,100)
Reclassified	263	-	-	-	(263)	-	-
Effect of foreign currency exchange differences	1,626	-	176	-	7	-	1,809
Balance at March 31, 2020	<u>628,329</u>	<u>979,819</u>	<u>249,535</u>	<u>220,775</u>	<u>9,334</u>	<u>88,894</u>	<u>2,176,686</u>
<u>Accumulated amortization</u>							
Balance at January 1, 2020	562,741	-	249,359	197,396	3,551	88,894	1,101,941
Amortization expenses	26,979	-	-	6,308	724	-	34,011
Disposals	(12,602)	-	-	-	(498)	-	(13,100)
Effect of foreign currency exchange differences	1,106	-	176	-	7	-	1,289
Balance at March 31, 2020	<u>578,224</u>	<u>-</u>	<u>249,535</u>	<u>203,704</u>	<u>3,784</u>	<u>88,894</u>	<u>1,124,141</u>
<u>Accumulated impairment</u>							
Balance at January 1, 2020	24,706	-	-	-	-	-	24,706
Effect of foreign currency exchange differences	141	-	-	-	-	-	141
Balance at March 31, 2020	<u>24,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,847</u>
Carrying amount at March 31, 2020	<u>\$ 25,258</u>	<u>\$ 979,819</u>	<u>\$ -</u>	<u>\$ 17,071</u>	<u>\$ 5,550</u>	<u>\$ -</u>	<u>\$ 1,027,698</u>

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

Computer software	2-10 years
Core techniques	5 years
Client relationships	9 years
Royalty	1-10 years
Technique services	2-4 years

16. OTHER ASSETS

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Tax refund receivables	\$ 261,517	\$ 262,927	\$ 528,424
Payment on behalf of others	144,928	105,165	99,128
Others	<u>70,516</u>	<u>53,306</u>	<u>112,007</u>
	<u>\$ 476,961</u>	<u>\$ 421,398</u>	<u>\$ 739,559</u>
<u>Non-current</u>			
Refundable deposits	\$ 60,632	\$ 50,283	\$ 71,886
Prepayment for equipment	38,156	46,554	65,985
Others	<u>1,048</u>	<u>851</u>	<u>1,153</u>
	<u>\$ 99,836</u>	<u>\$ 97,688</u>	<u>\$ 139,024</u>

17. BORROWINGS

a. Short-term bank loans

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Unsecured borrowings</u>			
Working capital loan	<u>\$ 77,280</u>	<u>\$ 196,982</u>	<u>\$ 1,289,724</u>

The effective interest rate ranges on the working capital loan was 0.68%, 0.68%-1.61% and 0.48%-4.79% as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

b. Long-term debts

	March 31, 2021	December 31, 2020	March 31, 2020
1) Secured Borrowings (Note 28)	\$ 11,041,344	\$ 12,107,715	\$ 12,356,827
2) Unsecured Borrowings	<u>19,125,004</u>	<u>20,266,108</u>	<u>16,642,333</u>
	30,166,348	32,373,823	28,999,160
Current portion	<u>(455,827)</u>	<u>(1,022,165)</u>	<u>(384,850)</u>
	<u>\$ 29,710,521</u>	<u>\$ 31,351,658</u>	<u>\$ 28,614,310</u>

1. Repayable continually from September 2022 to December 2038; interest rates at 0.83%-1.00% on March 31, 2021, 0.835%-1.05% on December 31, 2020 and 0.91%-1.19% on March 31, 2020.

2. Repayable continually from November 2021 to June 2025; interest rates at 0.69%-1.17% on March 31, 2021, 0.69%-1.38% on December 31, 2020 and 0.69%-3.05% on March 31, 2020.

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.

18. OTHER LIABILITIES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Accrued expenses and other current liabilities			
Payable salaries and bonus	\$ 2,018,034	\$ 2,148,090	\$ 1,811,236
Agency receipts	196,960	212,353	144,798
Payable for utilities	195,227	194,655	197,726
Payable for insurance	194,447	208,838	216,108
Indemnification payable (a)	151,353	111,883	86,554
Payable for annual leave	74,662	72,539	114,128
Others	<u>3,136,935</u>	<u>3,397,997</u>	<u>4,286,442</u>
	<u>\$ 5,967,618</u>	<u>\$ 6,346,355</u>	<u>\$ 6,856,992</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits	\$ 1,344	\$ 1,345	\$ 1,343
Others	<u>156,176</u>	<u>159,380</u>	<u>332,141</u>
	<u>\$ 157,520</u>	<u>\$ 160,725</u>	<u>\$ 333,484</u>

- a. Indemnification payable are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

19. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Corporation's defined benefit retirement plans were \$2,348 thousand and \$3,730 thousand for the three months ended March 31, 2021 and 2020, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2020 and 2019.

20. EQUITY

a. Capital stock

1) Ordinary shares

	March 31, 2021	December 31, 2020	March 31, 2020
Share authorized (in thousands of shares)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Share authorized (in thousands of dollars)	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>
Share issued and fully paid (in thousands of shares)	<u>779,147</u>	<u>779,147</u>	<u>779,147</u>
Share issued (in thousands of dollars)	<u>\$ 7,791,466</u>	<u>\$ 7,791,466</u>	<u>\$ 7,791,466</u>

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

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

As of March 31, 2021, 35 thousand units of GDSs of PTI were trading on the Luxembourg Share Exchange. The number of ordinary shares represented by the GDSs was 69 thousand shares (one GDS represents 2 ordinary shares).

b. Capital surplus

	March 31, 2021	December 31, 2020	March 31, 2020
May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (1)			
Share premium	\$ 1,929	\$ 1,929	\$ 1,929
<u>May be used to offset a deficit only</u>			
Arising from treasury share transactions	157,647	157,647	136,272
Changes in percentage of ownership interests in subsidiaries (2)	<u>71,718</u>	<u>71,718</u>	<u>71,651</u>
	<u>\$ 231,294</u>	<u>\$ 231,294</u>	<u>\$ 209,852</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 Articles of Incorporation provide that the total cash dividends paid in any given year should be at least 20% of total dividends distributed.

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

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

The appropriations of earnings for 2020 and 2019 were approved in the board of directors' meeting on March 12 2021 and in the shareholders' meeting May 28, 2020, respectively. The appropriations and dividends per share were as follows:

	For the Year Ended	
	December 31	
	2020	2019
Legal reserve	<u>\$ 662,022</u>	<u>\$ 582,611</u>
Special reserve	<u>\$ 42,241</u>	<u>\$ 129,671</u>
Cash dividends	<u>\$ 3,895,733</u>	<u>\$ 3,506,160</u>
Cash dividends per share (NT\$)	\$ 5	\$ 4.5

The appropriations of earnings for 2020 are subject to the resolution of the shareholders in the shareholders' meeting to be held on May 31, 2021.

d. Others equity items

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

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	<u>\$ (352,472)</u>	<u>\$ (299,686)</u>
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	<u>(145,114)</u>	<u>15,237</u>
Other comprehensive (loss) income recognized for the period	<u>(145,114)</u>	<u>15,237</u>
Balance at March 31	<u>\$ (497,586)</u>	<u>\$ (284,449)</u>

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

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	<u>\$ (14,510)</u>	<u>\$ (25,055)</u>
Recognized for the period		
Unrealized (loss) gain - equity instruments	<u>(45)</u>	<u>(834)</u>
Other comprehensive income recognized for the period	<u>(45)</u>	<u>(834)</u>
Balance at March 31	<u>\$ (14,555)</u>	<u>\$ (25,889)</u>

e. Non-controlling interests

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 12,416,516	\$ 11,870,235
Share in profit for the period	566,989	327,725
Other comprehensive income (loss) for the period		
Exchange differences on translation of the financial statements of foreign entities	(104,841)	11,626
The Parent's shares held by its subsidiaries treated as treasury shares	<u>-</u>	<u>(105,787)</u>
Balance at March 31	<u>\$ 12,878,644</u>	<u>\$ 12,103,799</u>

f. Treasury share

Purpose of Buy-Back	Share Held by Subsidiary (In Thousands of Shares)
Number of shares at January 1, 2020	2,650
Increase during the period	<u>2,100</u>
Number of shares at March 31, 2020	<u>4,750</u>
Number of shares at January 1, 2021	6,170
Increase during the period	<u>-</u>
Number of shares at March 31, 2021	<u>6,170</u>

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

Name of Subsidiary	Number of Share Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>March 31, 2021</u>			
Greatek Electronics Inc.	6,170	\$ 650,935	\$ 650,935
<u>December 31, 2020</u>			
Greatek Electronics Inc.	6,170	\$ 585,533	\$ 585,533
<u>March 31, 2020</u>			
Greatek Electronics Inc.	4,750	\$ 408,025	\$ 408,025

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

21. REVENUE

	For the Three Months Ended March 31	
	2021	2020
Revenue from contracts with customers		
Revenue from packaging services	\$ 12,539,695	\$ 12,089,977
Revenue from testing services	4,028,425	6,582,794
Revenue from module services	1,854,573	2,237,848
Others	<u>6,540</u>	<u>138,909</u>
	<u>\$ 18,429,233</u>	<u>\$ 18,811,680</u>

a. Contract information

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

b. Contract balances

	March 31, 2021	December 31, 2020	March 31, 2020	January 1, 2020
Notes and accounts receivable (including related parties) (Note 10)	<u>\$ 15,219,711</u>	<u>\$ 14,766,670</u>	<u>\$ 14,768,812</u>	<u>\$ 13,771,460</u>
Contract assets				
Revenue from services	<u>\$ 2,088,039</u>	<u>\$ 2,211,796</u>	<u>\$ 2,105,657</u>	<u>\$ 2,170,456</u>
Contract liabilities				
Revenue from services	<u>\$ 51,770</u>	<u>\$ 56,676</u>	<u>\$ 46,294</u>	<u>\$ 62,458</u>

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

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

	For the Three Months Ended March 31	
	<u>2021</u>	<u>2020</u>
From the contract liabilities at the beginning of the year		
Revenue from services	<u>\$ 25,492</u>	<u>\$ 32,941</u>

c. Disaggregation of revenue

	For the Three Months Ended March 31	
	<u>2021</u>	<u>2020</u>
<u>Primary geographical markets</u>		
Japan	\$ 5,445,604	\$ 6,547,410
America	2,826,775	3,412,871
Singapore	4,214,623	3,749,083
Taiwan (The principal place of business of the Corporation)	4,419,447	3,644,461
Europe	507,151	614,158
China, Hong Kong and Macao	399,717	243,348
Others	<u>615,916</u>	<u>600,349</u>
	<u>\$ 18,429,233</u>	<u>\$ 18,811,680</u>

22. NET PROFIT FROM CONTINUING OPERATIONS

a. Other gains and losses

	For the Three Months Ended March 31	
	2021	2020
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	\$ 42,115	\$ 443
Financial liabilities classified as held for trading	(105,924)	(23,690)
Others	<u>79,970</u>	<u>(116,816)</u>
	<u>\$ 16,161</u>	<u>\$ (140,063)</u>

b. Interest income

	For the Three Months Ended March 31	
	2021	2020
Bank deposits	\$ 7,915	\$ 20,083
Financial assets measured at amortized cost	<u>1,844</u>	<u>2,387</u>
	<u>\$ 9,759</u>	<u>\$ 46,557</u>

c. Other income

	For the Three Months Ended March 31	
	2021	2020
Rental income		
Operating lease rental income	<u>\$ 23,721</u>	<u>\$ 24,087</u>

d. Finance costs

	For the Three Months Ended March 31	
	2021	2020
Interest on bank loans	\$ 72,080	\$ 92,231
Interest on lease liabilities	6,147	6,858
Capitalized interest	<u>(17,440)</u>	<u>(21,685)</u>
	<u>\$ 60,787</u>	<u>\$ 77,404</u>

Information about capitalized interest was as follows:

	For the Three Months Ended March 31	
	2021	2020
Capitalized interest	\$ 17,440	\$ 21,685
Capitalization rate	0.920%-0.930%	1.090%-1.140%

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2021	2020
Property, plant and equipment	\$ 3,315,263	\$ 3,136,828
Right-of-use assets	28,416	56,016
Intangible assets	<u>10,072</u>	<u>34,011</u>
	<u>\$ 3,353,751</u>	<u>\$ 3,226,855</u>
An analysis of depreciation by function		
Operating costs	\$ 3,206,941	\$ 3,029,052
Operating expenses	<u>136,738</u>	<u>163,792</u>
	<u>\$ 3,343,679</u>	<u>\$ 3,192,844</u>
An analysis of amortization by function		
Operating costs	\$ 6,573	\$ 30,101
Marketing	1	15
General and administrative	1,300	1,638
Research and development	<u>2,198</u>	<u>2,257</u>
	<u>\$ 10,072</u>	<u>\$ 34,011</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2021	2020
Post-employment benefits		
Defined contribution plans	\$ 135,603	\$ 134,402
Defined benefit plans (Note 19)	<u>2,348</u>	<u>3,730</u>
	137,951	138,132
Termination benefits	215	99
Other employee benefits	<u>4,603,852</u>	<u>4,483,910</u>
Total employee benefits expense	<u>\$ 4,742,018</u>	<u>\$ 4,622,141</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 3,957,496	\$ 3,883,508
Operating expenses	<u>784,522</u>	<u>738,633</u>
	<u>\$ 4,742,018</u>	<u>\$ 4,622,141</u>

g. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of PTI, PTI accrues compensation of employees and remuneration of directors at the rates between 5% and 7.5% and no higher than 1.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if PTI has accumulated deficits (including adjustment of unappropriated earnings), PTI should retain the net profit in advance for deducting accumulated deficits. For the three months ended March 31, 2021 and 2020, respectively, the compensation of employees and the remuneration of directors were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2021	2020
Compensation of employees	5.56%	5.16%
Remuneration of directors	1.11%	1.03%

Amount

	For the Three Months Ended March 31	
	2021	2020
	Cash	Cash
Compensation of employees	\$ 115,311	\$ 110,223
Remuneration of directors	23,062	22,045

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

The appropriations of compensation of employees and remuneration of directors for 2020 and 2019 that were resolved by the board of directors on March 12, 2021 and March 10, 2020, respectively, are as shown below:

	For the Year Ended December 31	
	2020	2019
	Cash	Cash
Compensation of employees	\$ 449,703	\$ 394,109
Remuneration of directors	89,940	78,822

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, 2020 and 2019.

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

h. Gains or losses on foreign currency exchange

	For the Three Months Ended March 31	
	2021	2020
Foreign exchange gains	\$ 285,030	\$ 218,111
Foreign exchange losses	<u>(293,469)</u>	<u>(126,926)</u>
Net (losses) gains	<u>\$ (8,439)</u>	<u>\$ 91,185</u>

23. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2021	2020
Current tax		
In respect of the current period	\$ 417,878	\$ 513,590
Deferred tax		
In respect of the current period	<u>104,576</u>	<u>55,085</u>
Income tax expense recognized in profit or loss	<u>\$ 522,454</u>	<u>\$ 568,675</u>

b. Income tax assessments

Income tax returns through 2019 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2021	2020
Basic earnings per share	<u>\$ 2.21</u>	<u>\$ 2.10</u>
Diluted earnings per share	<u>\$ 2.20</u>	<u>\$ 2.09</u>

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

Net Profit for the Periods

	For the Three Months Ended March 31	
	2021	2020
Profit of the period attributable to owner of the Parent	\$ 1,708,306	\$ 1,632,935
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>-</u>	<u>-</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 1,708,306</u>	<u>\$ 1,632,935</u>

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

	For the Three Months Ended March 31	
	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	772,976	775,834
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>4,622</u>	<u>4,358</u>
Weighted average number of ordinary shares used in the computation of dilutive earnings per share	<u>777,598</u>	<u>780,192</u>

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

25. CAPITAL MANAGEMENT

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

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

26. FINANCIAL INSTRUMENTS

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

March 31, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 800,001	\$ -	\$ 803,836	\$ -	\$ 803,836

December 31, 2020

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 800,001	\$ -	\$ 804,895	\$ -	\$ 804,895

March 31, 2020

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 1,050,111	\$ -	\$ 1,055,097	\$ -	\$ 1,055,097

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

March 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 103,530	\$ -	\$ -	\$ 103,530
Derivative instruments	<u>-</u>	<u>1,117</u>	<u>-</u>	<u>1,117</u>
	<u>\$ 103,530</u>	<u>\$ 1,117</u>	<u>\$ -</u>	<u>\$ 104,647</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	<u>\$ 2,443</u>	<u>\$ 32,800</u>	<u>\$ -</u>	<u>\$ 35,243</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 87,654</u>	<u>\$ -</u>	<u>\$ 87,654</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 125,900	\$ -	\$ -	\$ 125,900
Derivative instruments	<u>-</u>	<u>43,567</u>	<u>-</u>	<u>43,567</u>
	<u>\$ 125,900</u>	<u>\$ 43,567</u>	<u>\$ -</u>	<u>\$ 169,467</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	<u>\$ 2,488</u>	<u>\$ 32,800</u>	<u>\$ -</u>	<u>\$ 35,288</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 5,435</u>	<u>\$ -</u>	<u>\$ 5,435</u>

March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 100,000	\$ -	\$ -	\$ 100,000
Derivative instruments	<u>-</u>	<u>3,479</u>	<u>-</u>	<u>3,479</u>
	<u>\$ 100,000</u>	<u>\$ 3,479</u>	<u>\$ -</u>	<u>\$ 103,479</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	<u>\$ 1,259</u>	<u>\$ 24,000</u>	<u>\$ -</u>	<u>\$ 25,259</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 18,336</u>	<u>\$ -</u>	<u>\$ 18,336</u>

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

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

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

c. Categories of financial instruments

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 104,647	\$ 169,467	\$ 103,479
Financial assets at amortized cost (Note 1)	39,369,616	37,604,652	36,926,797
Financial assets at FVTOCI			
Equity instruments	35,243	35,288	25,259
<u>Financial liabilities</u>			
FVTPL			
Held for trading	87,654	5,435	18,336
Amortized cost (Note 2)	38,158,515	40,243,413	39,435,768

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

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

d. Financial risk management objectives and policies

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

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

For the carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, refer to Note 30.

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

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

Sensitivity analysis

The Corporation was mainly exposed to the USD and JPY.

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

	USD Impact		JPY Impact	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2021	2020	2021	2020
Profit or loss	\$ (534,022)	\$ (470,479)	\$ 25,729	\$ 74,289

b) Interest rate risk

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

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

	March 31,	December 31,	March 31,
	2021	2020	2020
Fair value interest rate risk			
Financial assets	\$ 7,789,071	\$ 8,191,331	\$ 7,460,339
Financial liabilities	459,172	539,175	1,056,140
Cash flow interest rate risk			
Financial assets	15,230,529	13,384,037	13,098,293
Financial liabilities	29,784,456	32,031,630	29,232,744

Sensitivity analysis

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

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the three months ended March 31, 2021 and 2020 would decrease/increase by \$3,638 thousand and \$4,034 thousand, respectively, which was mainly attributable to the Corporation's exposure to interest rate risk on its variable-rate net liabilities.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax profit for the three months ended March 31, 2021 and 2020 would have increased/decreased by \$5,177 thousand and \$5,000 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 three months ended March 31, 2021 and 2020 would have increased/decreased by \$1,762 thousand and \$1,263 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

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

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

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

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

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

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

Credit risk management for investments in debt instruments

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

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

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

3) Liquidity risk

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

The Corporation relies on bank borrowings as a significant source of liquidity. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Corporation had available unutilized overdraft and short-term bank loan facilities of approximately \$7,247,360 thousand, \$7,247,360 thousand and \$7,247,360 thousand, respectively.

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

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

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

March 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Noninterest bearing	\$ 2,874,989	\$ 4,288,960	\$ 750,938	\$ -	\$ -
Lease liabilities	12,279	17,411	68,291	253,369	1,653,144
Fixed interest rate liabilities	-	120,428	111,412	227,332	-
Variable interest rate liabilities	-	-	301,367	27,936,303	1,546,886
	<u>\$ 2,887,268</u>	<u>\$ 4,426,799</u>	<u>\$ 1,231,908</u>	<u>\$ 28,417,004</u>	<u>\$ 3,200,030</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	\$ <u>97,981</u>	\$ <u>253,369</u>	\$ <u>236,673</u>	\$ <u>234,448</u>	\$ <u>233,688</u>	\$ <u>948,335</u>

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 2,806,529	\$ 4,237,591	\$ 628,488	\$ -	\$ -
Lease liabilities	16,990	30,381	82,976	268,032	1,665,038
Fixed interest rate liabilities	-	129,264	127,881	282,030	-
Variable interest rate liabilities	<u>676,922</u>	<u>-</u>	<u>285,080</u>	<u>28,866,456</u>	<u>2,203,172</u>
	\$ <u>3,500,441</u>	\$ <u>4,397,236</u>	\$ <u>1,124,425</u>	\$ <u>29,416,518</u>	\$ <u>3,868,210</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	\$ <u>130,347</u>	\$ <u>268,032</u>	\$ <u>236,763</u>	\$ <u>234,568</u>	\$ <u>233,688</u>	\$ <u>960,019</u>

March 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Noninterest bearing	\$ 2,896,440	\$ 5,360,717	\$ 889,727	\$ -	\$ -
Lease liabilities	20,664	38,604	161,688	322,545	1,700,781
Fixed interest rate liabilities	427,910	236,094	120,711	271,425	-
Variable interest rate liabilities	<u>-</u>	<u>-</u>	<u>889,859</u>	<u>25,771,436</u>	<u>2,571,449</u>
	\$ <u>3,345,014</u>	\$ <u>5,635,415</u>	\$ <u>2,061,985</u>	\$ <u>26,365,406</u>	\$ <u>4,272,230</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	\$ <u>220,956</u>	\$ <u>322,545</u>	\$ <u>237,093</u>	\$ <u>234,928</u>	\$ <u>233,688</u>	\$ <u>995,072</u>

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

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

March 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 1,651,377	\$ 2,749,757	\$ 117,637
Outflows	<u>(1,678,911)</u>	<u>(2,807,161)</u>	<u>(119,236)</u>
	\$ <u>(27,534)</u>	\$ <u>(57,404)</u>	\$ <u>(1,599)</u>

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 1,514,693	\$ 2,564,140	\$ 36,957
Outflows	<u>(1,487,180)</u>	<u>(2,553,570)</u>	<u>(36,908)</u>
	<u>\$ 27,513</u>	<u>\$ 10,570</u>	<u>\$ 49</u>

March 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 1,072,334	\$ 1,478,032	\$ 64,717
Outflows	<u>(1,084,256)</u>	<u>(1,480,630)</u>	<u>(65,054)</u>
	<u>\$ (11,922)</u>	<u>\$ (2,598)</u>	<u>\$ (337)</u>

b) Financing facilities

	March 31, 2021	December 31, 2020	March 31, 2020
Secured bank loan facilities which may be mutually extended			
Amount used	\$ 11,041,344	\$ 12,107,715	\$ 12,356,827
Amount unused	<u>3,593,750</u>	<u>2,000,000</u>	<u>2,030,000</u>
	<u>\$ 14,635,094</u>	<u>\$ 14,107,715</u>	<u>\$ 14,386,827</u>

27. TRANSACTIONS WITH RELATED PARTIES

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

a. Related Party Name and Relationship

<u>Related Party Name</u>	<u>Relationship with the Corporation</u>
Kioxia Corporation	Substantial related parties
Toshiba International Procurement Hong Kong, Ltd.	Substantial related parties
Toshiba Information Systems (Japan) Corporation	Substantial related parties
Toshiba Trading Inc.	Substantial related parties
Kingston Technology International Ltd.	Substantial related parties
Kingston Digital International Ltd.	Substantial related parties
Kingston Solution, Inc.	Substantial related parties
Kingston Technology Far East Corp.	Substantial related parties
Realtek Singapore Private Limited	Substantial related parties
Realtek Semiconductor Corp.	Substantial related parties
Raymx Microelectronics Corp.	Substantial related party

b. Sales of goods

Line Items	Related Party Category/Name	For the Three Months Ended March 31	
		2021	2020
Sales of goods	Substantial related parties		
	Kioxia Corporation	\$ 4,672,309	\$ 5,187,194
	Others	<u>586,832</u>	<u>663,710</u>
		<u>\$ 5,259,141</u>	<u>\$ 5,850,904</u>

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

c. Purchases

Related Party Category/Name	For the Three Months Ended March 31	
	2021	2020
Substantial related parties	<u>\$ 254,714</u>	<u>\$ 167,551</u>

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

d. Other gains and losses

Related Party Category	For the Three Months Ended March 31	
	2021	2020
Substantial related parties	\$ 4,415	\$ -
Kioxia Corporation	<u>(362)</u>	<u>-</u>
Others	<u>\$ 4,053</u>	<u>\$ -</u>

e. Contract assets

Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Substantial related parties			
Kioxia Corporation	\$ 757,173	\$ 858,969	\$ 737,116
Others	<u>66,611</u>	<u>68,879</u>	<u>58,817</u>
	<u>\$ 823,784</u>	<u>\$ 927,848</u>	<u>\$ 795,933</u>

For the three months ended March 31, 2021 and 2020, no impairment loss was recognized for contract assets from related parties.

f. Accounts receivables from related parties (excluding loans to related parties and contract assets)

Line Items	Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Accounts receivable from related parties	Substantial related parties			
	Kioxia Corporation	\$ 4,811,562	\$ 5,783,595	\$ 5,174,666
	Others	<u>441,054</u>	<u>500,858</u>	<u>440,652</u>
		<u>\$ 5,252,616</u>	<u>\$ 6,284,453</u>	<u>\$ 5,615,318</u>

The outstanding accounts receivable from related parties are unsecured. For the three months ended March 31, 2021 and 2020, no impairment loss was recognized for accounts receivables from related parties.

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

Line Items	Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Accounts payables from related parties	Substantial related parties			
	Toshiba International Procurement Hong Kong, Ltd.	<u>\$ 168,687</u>	<u>\$ 134,111</u>	<u>\$ 99,951</u>

The outstanding accounts payable from related parties are unsecured.

h. Other receivables from related parties

Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Substantial related parties			
Kioxia Corporation	\$ 25,421	\$ 34,534	\$ 10,492
Kingston Solution, Inc.	-	10,609	1,530
Others	<u>166</u>	<u>3,711</u>	<u>86</u>
	<u>\$ 25,587</u>	<u>\$ 48,854</u>	<u>\$ 12,108</u>

i. Other payables from related parties

Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Substantial related parties			
Toshiba Trading Inc.	\$ 856	\$ -	\$ -
Kingston Digital International Ltd.	195	-	-
Kioxia Corporation	-		917
Others	<u>5</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,056</u>	<u>\$ -</u>	<u>\$ 917</u>

j. Compensation of key management personnel

	For the Three Months Ended March 31	
	2021	2020
Short-term benefits	\$ 109,071	\$ 95,211
Post-employment benefits	<u>522</u>	<u>459</u>
	<u>\$ 109,593</u>	<u>\$ 95,670</u>

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

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	March 31, 2021	December 31, 2020	March 31, 2020
Property, plant and equipment	\$ 16,037,006	\$ 15,405,024	\$ 18,133,520
Pledge deposits (classified as financial assets at amortized cost - current)	25,564	26,200	21,264
Restricted deposits (classified as financial assets at amortized cost - current)	129,197	129,093	270,527
Pledge deposits (classified as financial assets at amortized cost - non-current)	<u>88,874</u>	<u>88,874</u>	<u>88,874</u>
	<u>\$ 16,280,641</u>	<u>\$ 15,649,191</u>	<u>\$ 18,514,185</u>

29. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The Corporation's significant commitments and contingencies as of March 31, 2021 were as following:

- a. From September 2017 to September 2018, PTI signed a contract worth \$1,811,372 thousand with Jian Ming Contractor Co., Ltd. for factory engineering. As of March 31, 2021, PTI has paid a total of \$1,464,472 thousand.

- b. From January 2020 to June 2020, PTI signed a the purchase agreement of equipment worth \$537,844 thousand with Advantest Corporation. As of March 31, 2021, PTI has paid a total of \$537,844 thousand.
- c. From October 2019 to March 2020, PTI signed a purchase agreement of equipment worth \$536,837 thousand with DISCO Corporation. As of March 31, 2021, PTI has paid a total of \$527,720 thousand, respectively.
- d. From February 2020 to September 2020, PTI signed a purchase agreement of equipment worth \$604,912 thousand with Nextest Systems Corporation. As of March 31, 2021, PTI has paid a total of \$576,352 thousand.
- e. From November 2019 to December 2020, PTI signed a purchase agreement of equipment worth \$1,047,751 thousand with Kulicke & Soffa Pte. Ltd. As of March 31, 2021, PTI has paid a total of \$365,811 thousand.
- f. From January 2020 to July 2020, TeraPower Technology Inc. signed a purchase agreement for equipment worth \$501,092 thousand with Advantest Corporation. As of March 31, 2021, TeraPower Technology Inc. has paid a total of \$363,481 thousand.
- g. In March 2021, Greatek Electronics Inc. signed a contract worth \$510,000 thousand with Jian Ming Contractor Co., Ltd. to setup a new plant. As of March 31, 2021, Greatek Electronics Inc. has paid a total of 153,000 thousand.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	March 31, 2021		
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 495,318	28.5310 (USD:NTD)	\$ 14,131,918
USD	13,280	6.4828 (USD:RMB)	378,892
USD	9,604	106.1229 (USD:JPY)	274,012
JPY	261,090	0.2576 (JPY:NTD)	67,257
JPY	2,722	0.0592 (JPY:RMB)	701
JPY	363,326	0.0090 (JPY:USD)	93,593
SGD	1,889	0.7430 (SGD:USD)	40,045
RMB	15,344	0.1525 (RMB:USD)	66,769
RMB	10,819	4.3515 (RMB:NTD)	<u>47,079</u>
			<u>\$ 15,100,266</u>
Non-monetary items			
USD	39	28.5310 (USD:NTD)	<u>\$ 1,117</u>

(Continued)

March 31, 2021			
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 137,456	28.5310 (USD:NTD)	\$ 3,921,757
USD	1,913	6.4828 (USD:RMB)	54,580
USD	4,488	106.1229 (USD:JPY)	128,047
EUR	871	33.4726 (EUR:NTD)	29,155
JPY	2,308,956	0.2576 (JPY:NTD)	594,787
JPY	30,167	0.0592 (JPY:RMB)	7,771
JPY	285,608	0.0090 (JPY:USD)	73,573
SGD	2,544	0.7430 (SGD:USD)	53,931
RMB	18,075	0.1525 (RMB:USD)	<u>78,653</u>
			<u>\$ 4,942,254</u>
Non-monetary items			
USD	2,367	28.5310 (USD:NTD)	\$ 67,535
JPY	75,809	0.2576 (JPY:NTD)	19,528
RMB	136	4.3515 (RMB:NTD)	<u>591</u>
			<u>\$ 87,654</u>
			(Concluded)

December 31, 2020			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 487,991	28.5080 (USD:NTD)	\$ 13,911,647
USD	10,100	6.5398 (USD:RMB)	287,931
USD	10,348	103.1050 (USD:JPY)	295,001
JPY	657,911	0.2765 (JPY:NTD)	181,912
JPY	23,395	0.0634 (JPY:RMB)	6,469
JPY	304,417	0.0097 (JPY:USD)	84,171
SGD	2,044	0.7843 (SGD:USD)	45,702
RMB	42,033	0.1529 (RMB:USD)	183,230
RMB	9,885	4.3592 (RMB:NTD)	<u>43,091</u>
			<u>\$ 15,039,154</u>
Non-monetary items			
USD	1,320	28.5080 (USD:NTD)	\$ 37,621
JPY	7,310	0.2765 (JPY:NTD)	2,021
RMB	900	4.3592 (RMB:NTD)	<u>3,925</u>
			<u>\$ 43,567</u>
			(Continued)

December 31, 2020			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 126,956	28.5080 (USD:NTD)	\$ 3,619,262
USD	2,304	6.5398 (USD:RMB)	65,682
USD	4,726	103.1050 (USD:JPY)	134,729
EUR	871	35.0563 (EUR:NTD)	30,534
JPY	2,024,221	0.2765 (JPY:NTD)	559,697
JPY	28,912	0.0634 (JPY:RMB)	7,994
JPY	232,296	0.0097 (JPY:USD)	64,230
RMB	19,818	0.1529 (RMB:USD)	86,391
SGD	1,478	0.7843 (SGD:USD)	<u>33,047</u>
			<u>\$ 4,601,566</u>
Non-monetary items			
USD	188	28.5080 (USD:NTD)	\$ 5,369
JPY	239	0.2765 (JPY:NTD)	<u>66</u>
			<u>\$ 5,435</u>
			(Concluded)

March 31, 2020			
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 472,804	30.254 (USD:NTD)	\$ 14,304,212
USD	10,353	7.0931 (USD:RMB)	313,220
USD	14,609	108.41 (USD:JPY)	441,981
JPY	1,469,919	0.2791 (JPY:NTD)	410,254
JPY	574	0.0654 (JPY:RMB)	160
JPY	920,713	0.0092 (JPY:USD)	256,971
SGD	3,003	0.7023 (SGD:USD)	63,806
RMB	18,249	0.1410 (RMB:USD)	77,837
RMB	15,251	4.2653 (RMB:NTD)	<u>65,050</u>
			<u>\$ 15,933,491</u>
Non-monetary items			
USD	81	30.254 (USD:NTD)	\$ 2,451
JPY	3,684	0.2791 (JPY:NTD)	<u>1,028</u>
			<u>\$ 3,479</u>
			(Continued)

	March 31, 2020		
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 170,657	30.254 (USD:NTD)	\$ 5,163,057
USD	8,486	7.0931 (USD:RMB)	256,735
USD	7,604	108.41 (USD:JPY)	230,051
EUR	461	33.2688 (EUR:NTD)	15,337
JPY	6,745,509	0.2791 (JPY:NTD)	1,882,672
JPY	51,242	0.0654 (JPY:RMB)	14,302
JPY	917,904	0.0092 (JPY:USD)	256,187
SGD	1,483	0.7023 (SGD:USD)	31,510
RMB	42,576	0.1410 (RMB:USD)	<u>181,599</u>
			<u>\$ 8,031,450</u>
Non-monetary items			
USD	390	30.254 (USD:NTD)	\$ 11,799
JPY	23,268	0.2791 (JPY:NTD)	6,494
RMB	10	4.2653 (RMB:NTD)	<u>43</u>
			<u>\$ 18,336</u>
			(Concluded)

Realized and unrealized net foreign exchange (losses) gains were \$(8,439) thousand and \$91,185 thousand for the three months ended March 31, 2021 and 2020, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and currencies of the entities in the Corporation.

31. SEPARATELY DISCLOSED ITEMS

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

- a. Financing provided to others: Table 1 (attached).
- b. Endorsements/guarantees provided: Table 2 (attached).
- c. Marketable securities held: Table 3 (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: Table 4 (attached).
- f. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Table 5 (attached).

- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 6 (attached).
- i. Derivative transactions: Note 7.
- j. Intercompany relationships and significant intercompany transactions: Table 7 (attached).
- k. Information of investees: Table 8 (attached).
- l. Information on investment in mainland China: Table 9 (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 31 (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: None.

32. SEGMENT INFORMATION

The revenues, operating results and financial information of each plant presented to the chief operating decision maker are consistent with the information in the consolidated financial statements. The segment revenues and operating results for the three months ended March 31, 2021 and 2020 are shown in the consolidated income statements for the three months ended March 31, 2021 and 2020. The segment assets as of March 31, 2021, December 31, 2020 and March 31, 2020 are shown in the consolidated balance sheets as of March 31, 2021, December 31, 2020 and March 31, 2020.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
 FOR THE THREE MONTHS ENDED MARCH 31, 2021
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limits (Note 2)	Note
													Item	Value			
1	Tera Probe, Inc.	Tera Probe Aizu, Inc.	Other receivables	Note 1	\$ 195,776	\$ 195,776	\$ 170,016	1.0%	For short term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 276,932	\$ 553,865	-

Note 1: Direct investments, the Corporation's wholly-owned subsidiaries.

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES GIVEN TO OTHER PARTIES
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars)

Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity In Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement /Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement /Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement /Guarantee Given on Behalf of Companies in Mainland China	Note
	Name	Relationship											
Powertech Technology Inc.	Powertech Technology (Singapore) Pte. Ltd.	Note 1	\$ 4,755,127	\$ 855,930	\$ 855,930	\$ 285,310	\$ -	1.80	\$ 23,775,635	Yes	-	-	-

Note 1: Direct investments; the Corporation's 100% owned subsidiary.

Note 2: The amount of guarantees provided by PTI to any individual entity shall not exceed ten percent of PTI's net worth. The aggregate guarantee amount shall not exceed fifty percent of PTI's net worth.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2021
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note	
				Number of Shares (In Thousands)	Carrying Value	% of Ownership	Fair Value		
Powertech Technology Inc.	<u>Share</u> Solid state system Co., Ltd.	-	Financial assets at fair value through other comprehensive profit or loss - non-current	2,053	\$ 35,243	3	\$ 35,243	Note 3	
Greatek Electronics Inc.	<u>Fund</u> Yuanta Taiwan High-yield Leading Company Fund A	-	Financial assets at fair value through profit or loss - current	7,000	103,530	-	103,530	Note 4	
	<u>Bond</u> P07 Taipower 1A	-	Financial assets at amortized cost. - current	200	200,000	-	200,057	Note 2	
	P06 Taipower 3A	-	Financial assets at amortized cost. - current	50	50,000	-	50,322	Note 2	
	P06 FPC 1A	-	Financial assets at amortized cost. - current	50	50,000	-	50,245	Note 2	
	P06 Taipower 1A	-	Financial assets at amortized cost. - non-current	300	300,000	-	301,989	Note 2	
	P08 Taipower 3A	-	Financial assets at amortized cost. - non-current	100	100,001	-	100,656	Note 2	
	P06 Taipower 3A	-	Financial assets at amortized cost. - non-current	50	50,000	-	50,322	Note 2	
	P06 FPC 1A	-	Financial assets at amortized cost. - non-current	50	50,000	-	50,245	Note 2	
	<u>Share</u> Powertech Technology Inc.	Greatek Electronics Inc.'s parent company	-	Financial assets at fair value through other comprehensive profit or loss - non-current	6,170	650,935	1	650,935	Note 1
	SAMHOP Microelectronics Corp.	-	Financial assets at fair value through profit or loss - non-current	268	-	3	-	Note 5	
	Terawins Inc.	-	Financial assets at fair value through profit or loss - non-current	643	-	2	-	Note 5	
	Airwave Technologies Inc.	-	Financial assets at fair value through profit or loss - non-current	93	-	1	-	Note 5	

Note 1: The fair value was based on stock closing price as of March 31, 2021.

Note 2: The fair value was based on trading market in hundreds of new Taiwan dollars as of March 31, 2021.

Note 3: The fair value of ordinary shares was based on stock closing price, and the fair value of privately placed shares was determined using valuation techniques as of March 31, 2021.

Note 4: The fair value was based on the net asset value of the fund as of March 31, 2021.

Note 5: The fair value was based on the carrying value as of March 31, 2021.

Note 6: As of March 31, 2021, the above marketable securities had not been pledged or mortgaged.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE THREE MONTHS ENDED MARCH 31, 2021
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Greatek Electronics Inc.	Building	2021.03.10	\$ 510,000	\$ 153,000	Jian Ming Contractor Co., Ltd.	None	Not applicable	Not applicable	Not applicable	Not applicable	The two sides agree	Plant expansion	None

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Powertech Technology Inc.	Kioxia Corporation Kingston Technology International Ltd.	Corporate director's parent company The ultimate parent company of the related party is the juristic-person director of the the Corporation.	Sale	\$ 4,596,232	41	Note 1	\$ -	-	\$ 4,740,704	52	-
			Sale	205,965	2	Note 1	-	-	70,559	1	-
Greatek Electronics Inc.	Toshiba International Procurement Hong Kong Ltd. Realtek Semiconductor Corp.	Corporate director's sister company Parent company of Greatek Electronics Inc.'s corporate supervisor.	Purchase	245,714	2	Note 1	-	-	(168,687)	(5)	-
			Sale	280,681	7	Net 60 days from monthly closing date	Note 2	-	283,816	8	-

Note 1: 30th to 90th days after the end of the month of the invoice date.

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

MARCH 31, 2021

(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 Debts
					Amount	Action Taken		
Powertech Technology Inc.	Kioxia Corporation	Corporate director's parent company	\$ 4,740,704	3.52	\$ -	-	\$ 1,607,306	\$ -
Greatek Electronics Inc.	Realtek Semiconductor corp.	Parent company of Greatek Electronics Inc.'s corporate supervisor.	283,816	4.27	-	-	80,566	-

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2021

(In Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Transaction Flow	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
0	Powertech Technology Inc.	Greatek Electronics Inc.	1	Sales	\$ 2,073	Note 3	-
		TeraPower Technology Inc.	1	Sales	3,226	Note 3	-
		Powertech Technology (Suzhou) Ltd.	1	Purchase	4,168	Note 2	-
		Powertech Technology (Suzhou) Ltd.	1	Subcontract costs	193,179	Note 2	1%
		Greatek Electronics Inc.	1	Subcontract costs	45,712	Note 2	-
		Power Technology (Suzhou) Ltd.	1	Payables to equipment suppliers	60,136	Note 2	-
		TeraPower Technology Inc.	1	Accounts receivable from related parties	2,343	Note 3	-
		Powertech Technology (Xian) Ltd.	1	Other receivables from related parties	84,665	Note 2	-
		Greatek Electronics Inc.	1	Other receivables from related parties	2,724	Note 2	-
		Powertech Technology (Suzhou) Ltd.	1	Other receivables from related parties	15,024	Note 2	-
		Powertech Technology Akita Inc.	1	Other receivables from related parties	329	Note 2	-
		TeraPower Technology Inc.	1	Other receivables from related parties	80,085	Note 2	-
		Powertech Technology (Suzhou) Ltd.	1	Disposal of property, plant and equipment	8,134	Note 2	-
		Powertech Technology Akita Inc.	1	Purchase of property, plant and equipment	23,796	Note 2	-
		TeraPower Technology Inc.	1	Purchase of property, plant and equipment	59,903	Note 2	-
		Powertech Technology (Singapore) Pte. Ltd.	1	Purchase of property, plant and equipment	136,300	Note 2	-
		Powertech Technology (Suzhou) Ltd.	1	Other payables to related parties	65,835	Note 2	-
		Greatek Electronics Inc.	1	Other payables to related parties	73,098	Note 2	-
		TeraPower Technology Inc.	1	Other payables to related parties	36,674	Note 2	-
		Powertech Technology (Japan) Ltd.	1	Other payables to related parties	9,558	Note 2	-
Powertech Technology Akita Inc.	1	Other payables to related parties	37,127	Note 2	-		
Tera Probe, Inc.	1	Other payables to related parties	466	Note 2	-		
1	Tera Probe, Inc.	TeraPower Technology Inc.	1	Other receivables from related parties	3,409	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 based on negotiations 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
MARCH 31, 2021
(In Thousands of New Taiwan Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2021			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2021	December 31, 2020	Number of Shares (In Thousands)	% of Ownership	Carrying Value			
Powertech Technology Inc.	TeraPower Technology Inc.	Hsin-chu	Wafer probing test services	\$ 1,153,964	\$ 1,153,964	73,386	49	\$ 2,455,923	\$ 122,416	\$ 83,152	Notes 1 and 2
	POWERTECH HOLDING(BVI) INC.	BVI	Investment business	1,679,370	1,679,370	50	100	1,157,991	27,700	17,150	Notes 1 and 2
	Greatek Electronics Inc.	Miaoli	Semiconductor assembly and testing service	6,169,948	6,169,948	244,064	43	8,874,594	930,168	397,651	Notes 1 and 2
	Powertech Technology (Singapore) Pte. Ltd.	Singapore	Integrated circuit testing and assembly service	USD 85,000	USD 85,000	85,000	100	1,581,688	465,862	463,127	Notes 2 and 3
	Powertech Technology Japan Ltd.	Japan	Investment business	USD 103,052	USD 103,052	-	100	2,814,190	43,779	66,954	Note 3
POWERTECH HOLDING(BVI)INC.	Tera Probe, Inc.	Japan	Wafer probing test services	\$ 230,616	\$ 230,616	1,077	12	353,575	76,630	11,327	Note 3
	PTI TECHNOLOGY (SINGAPORE)PTE. LTD.	Singapore	Investment business	USD 51,000	USD 51,000	103	100	USD 39,810	USD 977	USD 977	Note 3
	Powertech Technology Japan Ltd.	Japan	Wafer probing test services	USD 43,963	USD 43,963	4,440	49	USD 94,766	USD 2,699	USD 1,318	Note 3
Tera Probe, Inc.	Powertech Technology Akita Inc.	Japan	Semiconductor assembly and testing service	USD 58,329	USD 58,329	6	100	USD 10,515	USD 479	USD 479	Note 3
	TeraPower Technology Inc.	Hsin-chu	Wafer probing test services	JPY4,348,056	JPY4,348,056	76,381	51	JPY4,348,056	JPY 462,560	JPY 235,905	Note 1
	Tera Probe Aizu, Inc.	Japan	Wafer probing test services	JPY 221,616	JPY 221,616	180	100	JPY 221,616	JPY (94,933)	JPY (94,933)	Note 3

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

Note 2: Including unrealized intercompany gains (losses).

Note 3: Amount was recognized on the basis of unreviewed financial statements.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA

MARCH 31, 2021

(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 Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2021	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss)	Carrying Value as of March 31, 2021	Accumulated Inward Remittance of Earnings as of March 31, 2021	Note
					Outflow	Inflow							
Powertech Technology (Suzhou) Ltd.	Semiconductor testing and assembly services	\$ 2,853,100 (US\$ 100,000)	Note 1	\$ 1,455,081 (US\$ 51,000)	\$ -	\$ -	\$ 1,455,081 (US\$ 51,000)	\$ 38,528 (US\$ 1,357)	100%	\$ 37,161 (US\$ 1,309)	\$ 1,645,929 (US\$ 57,689)	\$ -	-
Powertech Technology (Xian) Ltd.	Semiconductor testing and assembly services	1,997,170 (US\$ 70,000)	Note 1	1,889,180 (US\$ 66,215)	-	-	1,889,180 (US\$ 66,215)	130,830 (US\$ 4,608)	100%	130,830 (US\$ 4,608)	2,764,071 (US\$ 96,880)	107,999 (US\$ 3,785)	-

Investee Company Accounted for Using the Equity Method	Accumulated Investment in Mainland China as of March 31, 2021 (US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (US\$ in Thousands)	Ceiling Amount on of the Corporation's Investment in Mainland China
Powertech Technology (Suzhou) Ltd. Powertech Technology (Xian) Ltd.	US\$ 51,000 US\$ 66,215	US\$ 79,000 US\$ 70,000	\$28,530,762

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

Note 2: Based on the exchange rate as of March 31, 2021.