

**Powertech Technology Inc. and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2023 and 2022 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Powertech Technology Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Powertech Technology Inc. and its subsidiaries (the "Corporation") as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 13 to the consolidated financial statements, we did not review the financial statements of some non-significant subsidiaries included in the consolidated financial statements. As of September 30, 2023 and 2022, the total assets of these non-significant subsidiaries were \$5,842,035 thousand and \$5,256,694 thousand, representing 5.25% and 4.22%, of the consolidated total assets, respectively; the total liabilities of these non-significant subsidiaries were \$2,097,256 thousand and \$2,537,069 thousand, representing 4.53% and 4.23%, of the consolidated total liabilities, respectively. For the three months ended September 30, 2023 and 2022, the amounts of these non-significant subsidiaries' comprehensive income were \$48,384 thousand and \$43,722 thousand, representing 2.24% and 1.46%, of the consolidated total comprehensive income, respectively. For the nine months ended September 30, 2023 and 2022, the amounts of these non-significant subsidiaries' comprehensive income were \$180,940 thousand and \$(98,544) thousand, representing 3.47% and (1.06)%, of the consolidated total comprehensive income, respectively. These investment amounts, as well as related information disclosed in Note 34 to the

consolidated financial statements, were based on the unreviewed financial statements of the investees for the same reporting periods as those of the Corporation and subsidiaries.

Qualified Conclusion

Based on our reviews, except for the consolidated financial statements of subsidiaries as well as related information disclosed referred to in preceding paragraph, were based on unreviewed financial statements of the investees for the same reporting periods as those of the Corporation and subsidiaries, if those consolidated financial statements had been reviewed and any adjustments were determined to be necessary, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of the Corporation as of September 30, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Lin cheng chih Fang Su Li

Deloitte & Touche
Taipei, Taiwan
Republic of China

October 31, 2023

Notice to Readers

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

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 17,298,267	16	\$ 20,373,424	17	\$ 21,616,056	17
Financial assets at fair value through profit or loss - current (Note 7)	3,482	-	66,619	-	1,447	-
Financial assets at amortized cost - current (Notes 9 and 30)	237,271	-	94,176	-	145,212	-
Contract assets - current (Notes 22 and 29)	2,313,199	2	2,645,344	2	2,737,162	2
Notes and accounts receivable (Notes 10 and 22)	11,852,721	11	9,252,417	8	10,529,534	9
Receivables from related parties (Notes 22 and 29)	5,835,069	5	5,094,481	4	6,584,058	5
Other receivables	401,202	-	330,849	-	446,608	-
Other receivables from related parties (Note 29)	16,874	-	66,111	-	61,939	-
Current tax assets (Notes 4 and 24)	73,286	-	-	-	-	-
Inventories (Note 11)	7,605,459	7	10,752,826	9	10,516,000	8
Prepaid expenses (Note 17)	341,921	-	417,977	1	553,201	1
Disposal groups held for sale (Note 12)	2,209,991	2	-	-	-	-
Other current assets (Notes 17 and 31)	497,256	1	682,433	1	924,804	1
Total current assets	48,685,998	44	49,776,657	42	54,116,021	43
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	30,722	-	17,143	-	23,370	-
Financial assets at amortized cost - non-current (Notes 9 and 30)	624,354	1	429,974	-	494,184	1
Property, plant and equipment (Notes 14, 29 and 30)	58,329,550	52	64,818,236	55	66,391,000	53
Right-of-use assets (Note 15)	1,364,853	1	1,463,013	1	1,438,840	1
Intangible assets (Note 16)	1,110,217	1	1,125,632	1	1,038,023	1
Deferred income tax assets (Notes 4 and 24)	174,247	-	227,759	-	164,423	-
Net defined benefit assets - non-current (Notes 4 and 20)	2,539	-	2,539	-	-	-
Other non-current assets (Notes 17 and 31)	970,121	1	1,108,185	1	953,606	1
Total non-current assets	62,606,603	56	69,192,481	58	70,503,446	57
TOTAL	\$ 111,292,601	100	\$ 118,969,138	100	\$ 124,619,467	100

LIABILITIES AND EQUITY	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES						
Short-term bank loans (Note 18)	\$ 64,830	-	\$ 69,720	-	\$ 192,942	-
Financial liabilities at fair value through profit or loss - current (Note 7)	25,874	-	7,446	-	168,283	-
Contract liabilities - current (Note 22)	140,778	-	226,859	-	233,343	-
Notes and accounts payable	4,836,682	5	5,510,927	5	7,292,909	6
Accounts payable to related parties (Note 29)	24,653	-	82,684	-	157,670	-
Bonus to employees and remuneration to directors (Note 23)	1,173,944	1	1,422,401	1	2,396,312	2
Payables to equipment suppliers	1,458,383	1	2,536,275	2	3,236,771	3
Other payables - related parties (Note 29)	39,366	-	32,314	-	2,194	-
Current income tax liabilities (Notes 4 and 24)	561,221	1	1,359,309	1	863,002	1
Liabilities directly associated with disposal groups held for sale (Note 12)	248,252	-	-	-	-	-
Lease liabilities - current (Note 15)	42,692	-	66,715	-	60,416	-
Accrued expenses and other current liabilities (Note 19)	8,994,186	8	8,117,668	7	8,513,439	7
Current portion of long-term debts (Notes 18 and 30)	271,499	-	182,434	-	292,064	-
Total current liabilities	17,882,360	16	19,614,752	16	23,409,345	19
NON-CURRENT LIABILITIES						
Long-term debt (Notes 18 and 30)	25,895,658	23	30,353,569	26	33,681,039	27
Deferred income tax liabilities (Notes 4 and 24)	422,687	1	302,326	-	395,056	-
Lease liabilities - non-current (Note 15)	1,323,382	1	1,344,749	1	1,326,724	1
Net defined benefit liability - non-current (Notes 4 and 20)	171,709	-	282,422	-	281,849	-
Other noncurrent liabilities (Note 19)	651,638	1	748,282	1	814,096	1
Total non-current liabilities	28,465,074	26	33,031,348	28	36,498,764	29
Total liabilities	46,347,434	42	52,646,100	44	59,908,109	48
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Notes 12 and 21)						
Capital stock	7,591,466	7	7,591,466	6	7,591,466	6
Capital surplus	232,196	-	149,540	-	149,540	-
Retained earnings						
Legal reserve	10,051,723	9	9,181,307	8	9,181,307	7
Special reserve	602,228	1	710,623	-	710,623	1
Unappropriated earnings	33,626,802	30	35,659,269	30	34,292,872	27
Total retained earnings	44,280,753	40	45,551,199	38	44,184,802	35
Other equity	(529,647)	(1)	(534,445)	-	(506,649)	-
Treasury stock	(468,802)	-	(468,802)	-	(468,802)	-
Equity attributable to shareholders of the Parent	51,105,966	46	52,288,958	44	50,950,357	41
NON-CONTROLLING INTERESTS (Notes 13 and 21)	13,839,201	12	14,034,080	12	13,761,001	11
Total equity	64,945,167	58	66,323,038	56	64,711,358	52
TOTAL	\$ 111,292,601	100	\$ 118,969,138	100	\$ 124,619,467	100

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

(With Deloitte & Touche review report dated October 31, 2023)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Notes 22 and 29)	\$ 18,448,971	100	\$ 21,430,133	100	\$ 51,407,093	100	\$ 65,524,107	100
COST OF REVENUE(Notes 11, 23 and 29)	<u>15,172,960</u>	<u>82</u>	<u>17,268,553</u>	<u>81</u>	<u>42,708,559</u>	<u>83</u>	<u>51,318,037</u>	<u>78</u>
GROSS PROFIT	<u>3,276,011</u>	<u>18</u>	<u>4,161,580</u>	<u>19</u>	<u>8,698,534</u>	<u>17</u>	<u>14,206,070</u>	<u>22</u>
OPERATING EXPENSES (Notes 23 and 29)								
Marketing	61,097	-	115,606	-	182,901	-	347,514	1
General and administrative	563,996	3	616,760	3	1,291,063	3	1,636,236	2
Research and development	633,832	4	592,249	3	1,655,427	3	1,899,516	3
Expected credit gain (Note 10)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(528)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>1,258,925</u>	<u>7</u>	<u>1,324,615</u>	<u>6</u>	<u>3,128,863</u>	<u>6</u>	<u>3,883,266</u>	<u>6</u>
OPERATING INCOME	<u>2,017,086</u>	<u>11</u>	<u>2,836,965</u>	<u>13</u>	<u>5,569,671</u>	<u>11</u>	<u>10,322,804</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 23)	65,149	-	23,833	-	199,902	-	49,089	-
Other gains and losses (Notes 23 and 29)	(81,317)	-	(172,037)	(1)	67,396	-	(503,429)	(1)
Other income (Note 23)	3,645	-	17,351	-	9,546	-	55,008	-
Financial costs (Note 23)	(87,117)	(1)	(69,960)	-	(249,448)	-	(178,176)	-
Foreign exchange gains, net (Notes 23 and 33)	<u>673,850</u>	<u>4</u>	<u>939,241</u>	<u>5</u>	<u>965,173</u>	<u>2</u>	<u>1,931,768</u>	<u>3</u>
Total non-operating income and expenses	<u>574,210</u>	<u>3</u>	<u>738,428</u>	<u>4</u>	<u>992,569</u>	<u>2</u>	<u>1,354,260</u>	<u>2</u>
INCOME BEFORE INCOME TAX	2,591,296	14	3,575,393	17	6,562,240	13	11,677,064	18
INCOME TAX EXPENSE (Notes 4 and 24)	<u>597,841</u>	<u>3</u>	<u>753,108</u>	<u>4</u>	<u>1,406,037</u>	<u>3</u>	<u>2,511,536</u>	<u>4</u>
NET INCOME	<u>1,993,455</u>	<u>11</u>	<u>2,822,285</u>	<u>13</u>	<u>5,156,203</u>	<u>10</u>	<u>9,165,528</u>	<u>14</u>
OTHER COMPREHENSIVE INCOME (Note 21)								
Items that will not be reclassified subsequently to profit or loss: Unrealized gain (losses) on investments in equity instruments designated as at fair value through other comprehensive income	(46)	-	(96)	-	13,579	-	(6,774)	-
Items that may be reclassified subsequently to profit or loss: Exchange differences on translating foreign operations	<u>167,980</u>	<u>1</u>	<u>177,897</u>	<u>1</u>	<u>37,608</u>	<u>-</u>	<u>170,979</u>	<u>-</u>
Total other comprehensive (loss) income	<u>167,934</u>	<u>1</u>	<u>177,801</u>	<u>1</u>	<u>51,187</u>	<u>-</u>	<u>164,205</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,161,389</u>	<u>12</u>	<u>\$ 3,000,086</u>	<u>14</u>	<u>\$ 5,207,390</u>	<u>10</u>	<u>\$ 9,329,733</u>	<u>14</u>

(Continued)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
NET INCOME								
ATTRIBUTABLE TO								
Shareholders of the Parent	\$ 1,573,066	9	\$ 2,394,683	11	\$ 4,043,580	8	\$ 7,337,766	11
Non-controlling interests	<u>420,389</u>	<u>2</u>	<u>427,602</u>	<u>2</u>	<u>1,112,623</u>	<u>2</u>	<u>1,827,762</u>	<u>3</u>
	<u>\$ 1,993,455</u>	<u>11</u>	<u>\$ 2,822,285</u>	<u>13</u>	<u>\$ 5,156,203</u>	<u>10</u>	<u>\$ 9,165,528</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO								
Shareholders of the Parent	\$ 1,734,146	10	\$ 2,581,442	12	\$ 4,048,378	8	\$ 7,541,740	11
Non-controlling interests	<u>427,243</u>	<u>2</u>	<u>418,644</u>	<u>2</u>	<u>1,159,012</u>	<u>2</u>	<u>1,787,993</u>	<u>3</u>
	<u>\$ 2,161,389</u>	<u>12</u>	<u>\$ 3,000,086</u>	<u>14</u>	<u>\$ 5,207,390</u>	<u>10</u>	<u>\$ 9,329,733</u>	<u>14</u>
EARNINGS PER SHARE								
(Note 25)								
Basic	<u>\$ 2.10</u>		<u>\$ 3.20</u>		<u>\$ 5.41</u>		<u>\$ 9.79</u>	
Diluted	<u>\$ 2.10</u>		<u>\$ 3.18</u>		<u>\$ 5.38</u>		<u>\$ 9.69</u>	

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

(With Deloitte & Touche review report dated October 31, 2023)

(Concluded)

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

	Equity Attributable to Shareholders of the Corporation													Non-controlling Interests	Total Equity
							Other Equity			Treasury Share	Total				
	Capital Stock		Capital Surplus	Unappropriated		Equity Directly Associated with Disposal Groups Held for Sale	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income							
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve				Unappropriated Earnings						
BALANCE, JANUARY 1, 2022	779,147	\$ 7,791,466	\$ 270,794	\$ 8,290,517	\$ 366,982	\$ 34,916,347	\$ -	\$ (690,969)	\$ (19,654)	\$ (1,418,300)	\$ 49,507,183	\$ 13,799,059	\$ 63,306,242		
Appropriation of 2021 earnings															
Legal reserve	-	-	-	890,790	-	(890,790)	-	-	-	-	-	-	-		
Special reserve	-	-	-	-	343,641	(343,641)	-	-	-	-	-	-	-		
Cash dividends distributed by the Parent	-	-	-	-	-	(5,162,197)	-	-	-	-	(5,162,197)	-	(5,162,197)		
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,734,690)	(1,734,690)		
Net income for the nine months ended September 30, 2022	-	-	-	-	-	7,337,766	-	-	-	-	7,337,766	1,827,762	9,165,528		
Other comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	-	-	210,748	(6,774)	-	203,974	(39,769)	164,205		
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	7,337,766	-	210,748	(6,774)	-	7,541,740	1,787,993	9,329,733		
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	(943,589)	(943,589)	-	(943,589)		
Cancellation of treasury shares	(20,000)	(200,000)	(197,142)	-	-	(1,564,613)	-	-	-	1,961,755	-	-	-		
The Parent's share held by its subsidiary treated as treasury share	-	-	-	-	-	-	-	-	-	(68,668)	(68,668)	(91,361)	(160,029)		
Adjustment of capital surplus due to dividends distributed to subsidiaries	-	-	75,888	-	-	-	-	-	-	-	75,888	-	75,888		
BALANCE, SEPTEMBER 30, 2022	759,147	\$ 7,591,466	\$ 149,540	\$ 9,181,307	\$ 710,623	\$ 34,292,872	\$ -	\$ (480,221)	\$ (26,428)	\$ (468,802)	\$ 50,950,357	\$ 13,761,001	\$ 64,711,358		
BALANCE, JANUARY 1, 2023	759,147	\$ 7,591,466	\$ 149,540	\$ 9,181,307	\$ 710,623	\$ 35,659,269	\$ -	\$ (501,790)	\$ (32,655)	\$ (468,802)	\$ 52,288,958	\$ 14,034,080	\$ 66,323,038		
Appropriation of 2022 earnings															
Legal reserve	-	-	-	870,416	-	(870,416)	-	-	-	-	-	-	-		
Special reserve	-	-	-	-	(108,395)	108,395	-	-	-	-	-	-	-		
Cash dividends distributed by the Parent	-	-	-	-	-	(5,314,026)	-	-	-	-	(5,314,026)	-	(5,314,026)		
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,353,965)	(1,353,965)		
Net income for the nine months ended September 30, 2023	-	-	-	-	-	4,043,580	-	-	-	-	4,043,580	1,112,623	5,156,203		
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	-	(8,781)	13,579	-	4,798	46,389	51,187		
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	4,043,580	-	(8,781)	13,579	-	4,048,378	1,159,012	5,207,390		
Donations from shareholders	-	-	56	-	-	-	-	-	-	-	56	74	130		
Equity directly associated with disposal groups held for sale	-	-	-	-	-	-	(44,344)	44,344	-	-	-	-	-		
Adjustment of capital surplus due to dividends distributed to subsidiaries	-	-	82,600	-	-	-	-	-	-	-	82,600	-	82,600		
BALANCE, SEPTEMBER 30, 2023	759,147	\$ 7,591,466	\$ 232,196	\$ 10,051,723	\$ 602,228	\$ 33,626,802	\$ (44,344)	\$ (466,227)	\$ (19,076)	\$ (468,802)	\$ 51,105,966	\$ 13,839,201	\$ 64,945,167		

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

(With Deloitte & Touche review report dated October 31, 2023)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Current income before income tax	\$ 6,562,240	\$ 11,677,064
Adjustments for:		
Depreciation	10,278,784	11,055,397
Amortization	23,049	27,992
Expected credit loss reversed	(528)	-
Net loss on fair value change of financial assets designated as at fair value through profit or loss	8,610	43,448
Financial costs	249,448	178,176
Interest revenue	(199,902)	(49,089)
Net gain on disposal of property, plant and equipment	(106,227)	(145,710)
Property, plant and equipment transfer to expenses	804	534
Proceeds from disposal of intangible assets	650	-
Impairment loss on financial assets	10,000	-
Impairment loss on non-financial assets	-	207
Net gain on foreign currency exchange, net	(595,031)	(530,265)
Changes in operating assets and liabilities:		
Decrease in financial assets mandatorily classified as at fair value through profit or loss	54,527	60,642
Decrease (increase) in contract assets	285,022	(318,297)
(Increase) decrease in notes and accounts receivable	(2,590,009)	1,300,133
(Increase) decrease in accounts receivable from related parties	(479,264)	192,228
Increase in other receivables	(51,941)	(52,082)
Decrease in other receivables from related parties	51,121	3,935
Decrease (increase) in inventories	3,088,730	(3,748,006)
Decrease (increase) in prepayments	76,056	(172,453)
Decrease (increase) in other current assets	210,271	(27,639)
Increase in financial liabilities held for trading	18,428	162,634
(Decrease) increase in contract liabilities	(86,081)	68,519
(Decrease) increase in notes and accounts payable	(705,014)	331,839
(Decrease) increase in accounts payable to related parties	(59,956)	(243)
(Decrease) increase in bonus to employees and remuneration of directors	(248,457)	792,560
Increase (decrease) in other payables to related parties	7,052	(3,990)
Decrease in accrued expenses and other current liabilities	(1,011,192)	(141,823)
Decrease in net defined benefit liabilities	(110,713)	(86,807)
Decrease in other payables	(5,740)	(10,422)
Cash generated from operations	14,674,737	20,608,482
Interest received	177,472	47,392
Interest paid	(325,880)	(237,999)
Income tax paid	(2,103,955)	(3,094,345)
Net cash generated from operating activities	12,422,374	17,323,530
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(404,921)	(88,410)
Proceeds from sale of financial assets at amortized cost	50,000	364,934
Advance collection on disposal of subsidiary	1,894,346	-
Acquisition of property, plant and equipment	(6,305,875)	(15,264,035)
Disposal of property, plant and equipment	241,613	245,249

(Continued)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
Decrease (increase) in refundable deposits	\$ 130,131	\$ (593,333)
Increase in intangible assets	(12,949)	(15,173)
Decrease (increase) in prepayments for equipment	<u>22,360</u>	<u>(91,295)</u>
Net cash used in investing activities	<u>(4,385,295)</u>	<u>(15,442,063)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term bank loans	(4,890)	120,762
Increase in long-term debts	6,800,000	25,760,216
Decrease in long-term debts	(11,113,336)	(21,910,898)
(Decrease) increase in guarantee deposits	(86,945)	876,472
Repayment of the principal portion of lease liabilities	(53,548)	(50,576)
Dividends paid to shareholders of the Corporation	(5,231,426)	(5,086,309)
Payments for buy-back of treasury share	-	(1,103,618)
Dividends paid to non-controlling interests	(1,353,965)	(1,734,690)
Donations from shareholders	<u>130</u>	<u>-</u>
Net cash used in financing activities	<u>(11,043,980)</u>	<u>(3,128,641)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>373,974</u>	<u>248,997</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(2,632,927)</u>	<u>(998,177)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>20,373,424</u>	<u>22,614,233</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 17,740,497</u>	<u>\$ 21,616,056</u>
	September 30	
	2023	2022
Cash and cash equivalents in the consolidated balance sheets	\$ 17,298,267	\$ 21,616,056
Cash and cash equivalents included in disposal groups held for sale	<u>442,230</u>	<u>-</u>
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 17,740,497</u>	<u>\$ 21,616,056</u>

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

(With Deloitte & Touche review report dated October 31, 2023)

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Board of Directors and issued on October 31, 2023.

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

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

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

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

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

- b. Basis of preparation

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

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

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

c. Basis of consolidation

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

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

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

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

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

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

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

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) Income tax expense

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

5. 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, 2022.

6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Checking accounts and demand deposits	\$ 17,297,945	\$ 20,372,822	\$ 21,615,593
Cash on hand	<u>322</u>	<u>602</u>	<u>463</u>
	<u>\$ 17,298,267</u>	<u>\$ 20,373,424</u>	<u>\$ 21,616,056</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Bank deposits	0%-5.39%	0%-4.35%	0%-3.24%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2023	December 31, 2022	September 30, 2022
<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	\$ 3,482	\$ 38,410	\$ 1,447
Non-derivative financial assets			
Mutual funds	<u>-</u>	<u>28,209</u>	<u>-</u>
	<u>\$ 3,482</u>	<u>\$ 66,619</u>	<u>\$ 1,447</u>

Financial liabilities at FVTPL - current

Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 25,874</u>	<u>\$ 7,446</u>	<u>\$ 168,283</u>

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

	Currency	Maturity Date	Contract Amounts (In Thousands)
<u>September 30, 2023</u>			
Sell forward exchange contracts	USD to NTD	2023.10.03-2023.11.13	USD 20,400
	USD to JPY	2023.10.13-2024.01.31	USD 9,081
	USD to CNY	2023.10.12-2023.10.17	USD 3,020
Buy forward exchange contracts	USD to JPY	2023.10.02-2023.10.31	USD 1,950
<u>December 31, 2022</u>			
Sell forward exchange contracts	USD to NTD	2023.01.03-2023.03.03	USD 111,500
	USD to JPY	2023.01.06-2023.05.08	USD 11,174
	USD to CNY	2023.01.09-2023.01.18	USD 2,734
<u>September 30, 2022</u>			
Sell forward exchange contracts	USD to NTD	2022.10.03-2022.12.30	USD 110,050
	USD to JPY	2022.10.05-2023.01.30	USD 11,358
	USD to CNY	2022.10.10-2022.10.28	USD 3,259

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Non-current</u>			
Domestic investments			
Listed shares			
Ordinary shares - Solid State System Co., Ltd.	\$ 30,722	\$ 17,143	\$ 23,370

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Domestic investments			
Corporate bonds - P08 Taiwan Power Company 3A Bond	\$ 50,000	\$ 50,000	\$ 50,000
Corporate bonds - P06 Taiwan Power Company 3A Bond	-	-	50,000
Time deposits with original maturities of more than 3 months	136,493	-	-
Pledged time deposits	18,510	13,468	13,468
Restricted deposit	<u>32,268</u>	<u>30,708</u>	<u>31,744</u>
	<u>\$ 237,271</u>	<u>\$ 94,176</u>	<u>\$ 145,212</u>
<u>Non-current</u>			
Domestic investments			
Corporate bonds - P08 Taiwan Power Company 3A Bond	\$ -	\$ 50,000	\$ 50,000
Time deposits with original maturities of more than 3 months	475,420	255,640	329,850
Pledged time deposits	<u>148,934</u>	<u>124,334</u>	<u>114,334</u>
	<u>\$ 624,354</u>	<u>\$ 429,974</u>	<u>\$ 494,184</u>

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

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

The ranges of interest rates for time deposits with original maturities of more than 3 months was 0.001%-1.95%, 0.001%-1.950% and 0.001%-0.006% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022.

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

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

10. NOTES AND ACCOUNTS RECEIVABLE, NET

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes receivable</u>			
Notes receivable - operating	\$ 16,104	\$ 44,579	\$ 96,396
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	11,901,921	9,273,670	10,497,908
Less: Allowance for impairment loss	(65,304)	(65,832)	(64,770)
	<u>11,836,617</u>	<u>9,207,838</u>	<u>10,433,138</u>
	<u>\$ 11,852,721</u>	<u>\$ 9,252,417</u>	<u>\$ 10,529,534</u>

At amortized cost

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

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

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

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

September 30, 2023

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

December 31, 2022

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$ 9,216,754	\$ 49,148	\$ 7,233	\$ 535	\$ -	\$ 9,273,670
Loss allowance (Lifetime ECLs)	<u>(8,926)</u>	<u>(49,138)</u>	<u>(7,233)</u>	<u>(535)</u>	<u>-</u>	<u>(65,832)</u>
Amortized cost	<u>\$ 9,207,828</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,207,838</u>

September 30, 2022

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

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 65,832	\$ 64,770
Less: Net remeasurment of loss allowance	<u>(528)</u>	<u>-</u>
Balance at September 30	<u>\$ 65,304</u>	<u>\$ 64,770</u>

11. INVENTORIES

	September 30, 2023	December 31, 2022	September 30, 2022
Raw materials	\$ 7,058,465	\$ 10,173,117	\$ 9,897,130
Supplies	<u>546,994</u>	<u>579,709</u>	<u>618,870</u>
	<u>\$ 7,605,459</u>	<u>\$ 10,752,826</u>	<u>\$ 10,516,000</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Cost of inventories sold	\$ 15,172,960	\$ 17,268,553	\$ 42,708,559	\$ 51,318,037
Write-downs of inventories	<u>\$ 51,284</u>	<u>\$ 51,408</u>	<u>\$ 67,093</u>	<u>\$ 123,730</u>
Unallocated production overhead	\$ 1,623,955	\$ 1,719,606	\$ 5,087,639	\$ 4,312,686
Sales of scrap	<u>\$ 45,887</u>	<u>\$ 53,782</u>	<u>\$ 124,156</u>	<u>\$ 173,035</u>

12. DISPOSAL GROUPS HELD FOR SALE

Disposal groups held for sale

On June 27, 2023, the board of directors resolved to dispose of 70% of Powertech Technology (Suzhou) Ltd. to Shenzhen Longsys Electronics Co., Ltd. Expects to complete the disposal on October 1, 2023. The assets and liabilities attributable to that subsidiary were reclassified as disposal groups held for sale, and were presented separately in the consolidated balance sheets. The main categories of assets and liabilities of the subsidiary to be sold are as follows:

	September 30, 2023
Cash and cash equivalents	\$ 442,230
Contract assets	47,123
Receivables	275,974
Other receivables	13,510
Inventories	58,637
Other current assets	13,182
Property, plant and equipment	1,306,521
Right-of-use assets	51,114
Intangible assets	1,283
Deferred income tax assets	<u>417</u>
Total disposal groups held for sale	<u>\$ 2,209,991</u>
Accounts payable	\$ 85,252
Payables to equipment suppliers	13,379
Accrued expenses and other current liabilities	<u>149,621</u>
Liabilities directly associated with disposal groups held for sale	<u>\$ 248,252</u>
Equity directly associated with disposal groups held for sale	<u>\$ (44,344)</u>

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

13. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2023	December 31, 2022	September 30, 2022	
Powertech Technology Inc.	POWERTECH HOLDING (BVI) INC.	Investment business	100	100	100	2
	Greatek Electronics Inc. ("GEI")	Semiconductor assembly and testing service	43	43	43	Notes 1 and 3
	Powertech Technology (Singapore) Pte. Ltd.	Investment business	100	100	100	Note 2
	Powertech (Xian) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	36	36	36	-
	Powertech Technology (Suzhou) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	9	9	9	Note 6

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2023	December 31, 2022	September 30, 2022	
Powertech Technology Inc.	Powertech Technology Japan Ltd.	Investment business	100	100	100	Note 2
	Tera Probe, Inc.	Wafer probing test services	12	12	12	Notes 2 and 3
	TeraPower Technology Inc.	Wafer probing test services	49	49	49	-
POWERTECH HOLDING (BVI) INC.	PTI TECHNOLOGY (SINGAPORE) PTE. LTD.	Investment business	100	100	100	Note 2
PTI TECHNOLOGY (SINGAPORE) PTE. LTD.	Powertech Technology (Suzhou) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	72	72	72	Note 6
Powertech Technology (Singapore) Pte. Ltd.	Powertech Semiconductor (Xian) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	64	64	64	-
	Powertech Technology (Suzhou) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	19	19	19	Note 6
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Wafer probing test services	49	49	49	Notes 2 and 3
	Powertech Technology Akita Inc.	Semiconductor assembly and testing service	100	100	100	Notes 2 and 4
Tera Probe, Inc.	TeraPower Technology Inc.	Wafer probing test services	51	51	51	-
Greatek Electronics Inc. ("GEI")	Get-Team Tech Corporation	Metal surface treatment of semiconductor wire frame	97.46	97.46	-	Note 5

(Concluded)

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

Note 2: It is a non-significant subsidiary, its financial statements for nine months ended September 30, 2023 and 2022 have not been reviewed.

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

Note 4: Due to the adjustment of operational needs, the Corporation cease the operation of Powertech Technology Akita Inc.

Note 5: On October 5, 2022, Greatek acquired 97.46% ownership of Get-Team Tech Corporation and obtained the majority, Get-Team Tech Corporation became a subsidiary of Greatek.

Note 6: Due to the adjustment of operational needs, the board of directors of the Corporation approved the disposal of shares of Powertech Technology (Suzhou) Ltd. on June 27, 2023. Refer to Note 12.

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

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		September 30, 2023	December 31, 2022	September 30, 2022
Greatek Electronics Inc.	Zhunan Township, Miaoli County	57%	57%	57%
Tera Probe, Inc.	Japan	39%	39%	39%

Name of Subsidiary	Profit or Loss Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended		For the Nine Months Ended		September 30,	December 31,	September 30,
	September 30		September 30		2023	2022	2022
	2023	2022	2023	2022	2023	2022	2022
Greatek Electronics Inc. (Excluding non-controlling interest in subsidiary)	<u>\$ 337,518</u>	<u>\$ 346,343</u>	<u>\$ 876,936</u>	<u>\$ 1,632,779</u>	<u>\$ 11,179,506</u>	<u>\$ 11,472,577</u>	<u>\$ 11,351,753</u>
Tera Probe, Inc.	<u>\$ 83,029</u>	<u>\$ 81,259</u>	<u>\$ 236,031</u>	<u>\$ 194,983</u>	<u>\$ 2,656,894</u>	<u>\$ 2,558,358</u>	<u>\$ 2,409,248</u>

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

Greatek Electronics Inc.

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 8,902,974	\$ 8,657,344	\$ 9,217,939
Non-current assets	14,905,479	15,774,891	16,044,962
Current liabilities	(2,738,309)	(2,927,106)	(4,072,120)
Non-current liabilities	<u>(457,534)</u>	<u>(596,235)</u>	<u>(562,995)</u>
Equity	<u>\$ 20,612,610</u>	<u>\$ 20,908,894</u>	<u>\$ 20,627,786</u>
Equity attributable to:			
Owners of the Parent	\$ 8,842,676	\$ 8,969,650	\$ 8,850,389
Non-controlling interests	11,767,133	11,936,099	11,777,397
Non-controlling interests from subsidiary	<u>2,801</u>	<u>3,145</u>	<u>-</u>
	<u>\$ 20,612,610</u>	<u>\$ 20,908,894</u>	<u>\$ 20,627,786</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating revenue	<u>\$ 3,510,939</u>	<u>\$ 3,508,793</u>	<u>\$ 10,043,292</u>	<u>\$ 12,912,096</u>
Net income for the period	\$ 594,191	\$ 609,807	\$ 1,545,176	\$ 2,869,359
Other comprehensive income for the period	<u>(41,300)</u>	<u>(121,892)</u>	<u>263,140</u>	<u>(227,248)</u>
Total comprehensive income for the period	<u>\$ 552,891</u>	<u>\$ 487,915</u>	<u>\$ 1,808,316</u>	<u>\$ 2,642,111</u>
Net income attributable to:				
Owners of the Parent	\$ 255,007	\$ 261,639	\$ 663,108	\$ 1,231,103
Non-controlling interests	339,342	348,168	882,412	1,638,256
Non-controlling interests from subsidiary	<u>(158)</u>	<u>-</u>	<u>(344)</u>	<u>-</u>
	<u>\$ 594,191</u>	<u>\$ 609,807</u>	<u>\$ 1,545,176</u>	<u>\$ 2,869,359</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Total comprehensive income attributable to:				
Owners of the Parent	\$ 237,288	\$ 209,341	\$ 776,009	\$ 1,133,602
Non-controlling interests	315,761	278,574	1,032,651	1,508,509
Non-controlling interests from subsidiary	<u>(158)</u>	<u>-</u>	<u>(344)</u>	<u>-</u>
	<u>\$ 552,891</u>	<u>\$ 487,915</u>	<u>\$ 1,808,316</u>	<u>\$ 2,642,111</u>
Net cash inflow (outflow) from:				
Operating activities	\$ 947,631	\$ 1,704,408	\$ 3,061,513	\$ 5,122,694
Investing activities	(188,494)	(863,518)	(1,059,033)	(3,242,587)
financing activities	<u>(2,123,575)</u>	<u>(2,762,077)</u>	<u>(2,161,093)</u>	<u>(2,438,345)</u>
Net cash inflow	<u>\$(1,364,438)</u>	<u>\$(1,921,187)</u>	<u>\$ (158,613)</u>	<u>\$ (558,238)</u>
				(Concluded)

Tera Probe, Inc.

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 2,070,967	\$ 2,502,705	\$ 2,397,920
Non-current assets	5,753,443	5,366,521	4,909,089
Current liabilities	(736,948)	(974,592)	(754,851)
Non-current liabilities	<u>(539,818)</u>	<u>(645,023)</u>	<u>(645,386)</u>
Equity	<u>\$ 6,547,644</u>	<u>\$ 6,249,611</u>	<u>\$ 5,906,772</u>
Equity attributable to:			
Owners of the Parent	\$ 3,971,147	\$ 3,790,390	\$ 3,582,458
Non-controlling interests	<u>2,576,497</u>	<u>2,459,221</u>	<u>2,324,314</u>
	<u>\$ 6,547,644</u>	<u>\$ 6,249,611</u>	<u>\$ 5,906,772</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating revenue for the period	<u>\$ 510,867</u>	<u>\$ 405,376</u>	<u>\$ 1,548,375</u>	<u>\$ 1,233,169</u>
Net income	\$ 211,287	\$ 260,047	\$ 641,570	\$ 522,412
Other comprehensive income (loss) for the period	<u>(12,006)</u>	<u>(19,091)</u>	<u>224,817</u>	<u>230,569</u>
Total comprehensive income for the period	<u>\$ 199,281</u>	<u>\$ 240,956</u>	<u>\$ 866,387</u>	<u>\$ 752,981</u>
				(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Net income attributable to:				
Owners of the Parent	\$ 128,142	\$ 157,715	\$ 389,102	\$ 316,835
Non-controlling interests	<u>83,145</u>	<u>102,332</u>	<u>252,468</u>	<u>205,577</u>
	<u>\$ 211,287</u>	<u>\$ 260,047</u>	<u>\$ 641,570</u>	<u>\$ 522,412</u>
Total comprehensive income attributable to:				
Owners of the Parent	\$ 120,860	\$ 146,137	\$ 525,450	\$ 456,672
Non-controlling interests	<u>78,421</u>	<u>94,819</u>	<u>340,937</u>	<u>296,309</u>
	<u>\$ 199,281</u>	<u>\$ 240,956</u>	<u>\$ 866,387</u>	<u>\$ 752,981</u>
Net cash inflow (outflow) from:				
Operating activities	\$ 410,681	\$ 121,061	\$ 1,358,231	\$ 1,032,623
Investing activities	(626,141)	(364,733)	(1,309,512)	(228,104)
financing activities	<u>(738,430)</u>	<u>525,793</u>	<u>(1,028,388)</u>	<u>79,044</u>
Net cash (outflow) inflow	<u>\$ (953,890)</u>	<u>\$ 282,121</u>	<u>\$ (979,669)</u>	<u>\$ 883,563</u>
				(Concluded)

14. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2023		December 31, 2022		September 30, 2022					
Assets used by the Corporation	\$ 58,329,550		\$ 64,818,236		\$ 66,391,000					
	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, 2023	\$ 4,413,047	\$ 33,893,248	\$ 108,666,245	\$ 2,525,225	\$ 89,217	\$ 3,609,960	\$ 3,029,234	\$ 6,864,129	\$ 334,900	\$ 163,425,205
Additions	-	247,853	83,680	16,077	-	54,159	705,809	3,975,263	239,866	5,322,707
Disposals	(10,951)	(26,926)	(806,600)	(20,558)	-	(99,599)	-	(8,483)	(244,590)	(1,217,707)
Reclassified	-	2,528,169	6,799,239	37,985	-	101,548	(2,175,589)	(7,303,181)	-	(1,829)
Reclassified as held for sale	-	(2,286,331)	(2,556,403)	(524,720)	-	-	-	(73,513)	-	(5,440,967)
Effects of foreign currency exchange differences	(971)	(52,037)	(155,164)	(27,795)	(5,049)	16,279	-	(29,551)	-	(254,288)
Balance at September 30, 2023	4,401,125	34,303,976	112,030,997	2,006,214	84,168	3,682,347	1,559,454	3,424,664	330,176	161,823,121
<u>Accumulated depreciation</u>										
Balance at January 1, 2023	-	14,718,850	77,437,263	2,019,828	7,528	3,180,834	-	-	-	97,364,303
Depreciation expenses	-	1,392,086	8,318,786	133,002	1,333	137,582	-	-	244,590	10,227,379
Disposals	-	(13,922)	(705,160)	(19,376)	-	(99,271)	-	-	(244,590)	(1,082,319)
Reclassified	-	-	(5,232)	-	-	-	-	-	-	(5,232)
Reclassified as held for sale	-	(1,390,210)	(2,023,265)	(451,819)	-	-	-	-	-	(3,865,294)
Effects of foreign currency exchange differences	-	(19,115)	(106,403)	(23,000)	(854)	15,139	-	-	-	(134,233)
Balance at September 30, 2023	-	14,687,689	82,915,989	1,658,635	8,007	3,234,284	-	-	-	102,504,604
<u>Accumulated impairment</u>										
Balance at January 1, 2023	1,472	433,962	622,603	87,227	56,195	-	1,965	39,242	-	1,242,666
Disposals	-	-	(2)	-	-	-	-	-	-	(2)
Reclassified	-	-	-	-	-	-	(1,892)	1,892	-	-
Reclassified as held for sale	-	(200,194)	(22,301)	(46,657)	-	-	-	-	-	(269,152)
Effects of foreign currency exchange differences	(103)	6,834	15,994	(439)	(3,941)	-	(73)	(2,817)	-	15,455
Balance at September 30, 2023	1,369	240,602	616,294	40,131	52,254	-	-	38,317	-	988,967
Carrying amount at September 30, 2023	\$ 4,399,756	\$ 19,375,685	\$ 28,498,714	\$ 307,448	\$ 23,907	\$ 448,063	\$ 1,559,454	\$ 3,386,347	\$ 330,176	\$ 58,329,550
Carrying amount at December 31, 2022 and January 1, 2023	\$ 4,411,575	\$ 18,740,436	\$ 30,606,379	\$ 418,170	\$ 25,494	\$ 479,126	\$ 3,027,769	\$ 6,824,887	\$ 334,900	\$ 64,818,236

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

(Concluded)

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

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

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

Buildings		
Main plants		3-51 years
Mechanical and electrical power equipment		2-26 years
Wafer Fab		6-16 years
Fire control equipment		2-26 years
Others		2-51 years
Machinery and equipment		1-15 years
Office equipment		1-15 years
Leasehold improvements		1-50 years
Other equipment		1-16 years
Spare parts		0.5 years

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

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amount</u>			
Land	\$ 1,271,183	\$ 1,345,852	\$ 1,353,149
Buildings	28,013	33,265	-
Machinery and equipment	62,837	82,657	84,101
Transportation equipment	<u>2,820</u>	<u>1,239</u>	<u>1,590</u>
	<u>\$ 1,364,853</u>	<u>\$ 1,463,013</u>	<u>\$ 1,438,840</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Additions to right-of-use assets			\$ 8,158	\$ 9,167
Depreciation charge for right-of-use assets				
Land	\$ 9,212	\$ 9,824	\$ 29,071	\$ 29,442
Buildings	1,751	-	5,252	-
Machinery and equipment	5,228	5,112	16,028	15,932
Transportation equipment	<u>351</u>	<u>351</u>	<u>1,054</u>	<u>1,054</u>
	<u>\$ 16,542</u>	<u>\$ 15,287</u>	<u>\$ 51,405</u>	<u>\$ 46,428</u>

Except for the aforementioned addition and recognized depreciation, the Corporation did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2023 and 2022.

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amount</u>			
Current	\$ 42,692	\$ 66,715	\$ 60,416
Non-current	<u>\$ 1,323,382</u>	<u>\$ 1,344,749</u>	<u>\$ 1,326,724</u>

Range of discount rates for lease liabilities was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Land	0.93%-1.69%	0.93%-1.69%	0.93%-1.69%
Buildings	2.53%	2.53%	-
Machinery and equipment	0.80%-2.30%	0.80%-2.30%	0.80%-2.30%
Transportation equipment	0.92%-1.59%	0.92%	0.92%

c. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	\$ 2,774	\$ 6,750	\$ 10,291	\$ 16,378
Total cash outflow for leases			<u>\$ (63,839)</u>	<u>\$ (66,954)</u>

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

16. INTANGIBLE ASSETS

	Computer Software	Goodwill	Business Secrets	Core Techniques	Client Relationships	Royalty	Technique Services	Total
<u>Cost</u>								
Balance at January 1, 2023	\$ 694,659	\$ 997,715	\$ 41,383	\$ 249,103	\$ 220,775	\$ 9,386	\$ 88,894	\$ 2,301,915
Additions	12,949	-	-	-	-	-	-	12,949
Disposals	(2,632)	-	-	-	-	-	-	(2,632)
Reclassified as held for sale	(36,484)	-	-	-	-	-	-	(36,484)
Effects of foreign currency exchange differences	(14,689)	-	-	1,850	-	(74)	-	(12,913)
Balance at September 30, 2023	<u>653,803</u>	<u>997,715</u>	<u>41,383</u>	<u>250,953</u>	<u>220,775</u>	<u>9,312</u>	<u>88,894</u>	<u>2,262,835</u>
<u>Accumulated amortization</u>								
Balance at January 1, 2023	579,874	-	1,035	249,103	220,775	9,338	88,894	1,149,019
Amortization expenses	19,944	-	3,104	-	-	1	-	23,049
Disposals	(1,982)	-	-	-	-	-	-	(1,982)
Reclassified as held for sale	(35,201)	-	-	-	-	-	-	(35,201)
Effect of foreign currency exchange differences	(11,376)	-	-	1,850	-	(71)	-	(9,597)
Balance at September 30, 2023	<u>551,259</u>	<u>-</u>	<u>4,139</u>	<u>250,953</u>	<u>220,775</u>	<u>9,268</u>	<u>88,894</u>	<u>1,125,288</u>
<u>Accumulated impairment</u>								
Balance at January 1, 2023	27,264	-	-	-	-	-	-	27,264
Effect of foreign currency exchange differences	66	-	-	-	-	-	-	66
Balance at September 30, 2023	<u>27,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,330</u>
Carrying amount at September 30, 2023	<u>\$ 75,214</u>	<u>\$ 997,715</u>	<u>\$ 37,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 1,110,217</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 87,521</u>	<u>\$ 997,715</u>	<u>\$ 40,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ -</u>	<u>\$ 1,125,632</u>

	Computer Software	Goodwill	Core Techniques	Client Relationships	Royalty	Technique Services	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 611,572	\$ 979,819	\$ 246,494	\$ 220,775	\$ 9,424	\$ 88,894	\$ 2,156,978
Additions	15,173	-	-	-	-	-	15,173
Disposals	(4,628)	-	-	-	-	-	(4,628)
Effects of foreign currency exchange differences	(13,297)	-	4,807	-	(94)	-	(8,584)
Balance at September 30, 2022	<u>608,820</u>	<u>979,819</u>	<u>251,301</u>	<u>220,775</u>	<u>9,330</u>	<u>88,894</u>	<u>2,158,939</u>
<u>Accumulated amortization</u>							
Balance at January 1, 2022	583,470	-	246,494	220,775	8,664	88,894	1,148,297
Amortization expenses	27,288	-	-	-	704	-	27,992
Disposals	(4,628)	-	-	-	-	-	(4,628)
Reclassified	(71,560)	-	-	-	-	-	(71,560)
Effect of foreign currency exchange differences	(11,132)	-	4,807	-	(89)	-	(6,414)
Balance at September 30, 2022	<u>523,438</u>	<u>-</u>	<u>251,301</u>	<u>220,775</u>	<u>9,279</u>	<u>88,894</u>	<u>1,093,687</u>
<u>Accumulated impairment</u>							
Balance at January 1, 2022	26,041	-	-	-	-	-	26,041
Effect of foreign currency exchange differences	1,188	-	-	-	-	-	1,188
Balance at September 30, 2022	<u>27,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,229</u>
Carrying amount at September 30, 2022	<u>\$ 58,153</u>	<u>\$ 979,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51</u>	<u>\$ -</u>	<u>\$ 1,038,023</u>

The Group acquired Get-Team in October 2022 and recognized goodwill (see Note 26).

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

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

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

	For the Three Months Ended September 30		For the Six Months Ended September 30	
	2023	2022	2023	2022
An analysis of amortization by function				
Cost of revenue	\$ 5,129	\$ 6,328	\$ 16,118	\$ 20,396
Selling and marketing expenses	1	1	3	3
General and administrative expenses	756	789	2,280	2,360
Research and development expenses	<u>1,538</u>	<u>1,486</u>	<u>4,648</u>	<u>5,233</u>
	<u>\$ 7,424</u>	<u>\$ 8,604</u>	<u>\$ 23,049</u>	<u>\$ 27,992</u>

17. OTHER ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Refundable deposits (Note)	\$ 232,581	\$ 194,305	\$ 175,262
Tax refund receivables	117,241	150,500	275,868
Payment on behalf of others	113,517	296,153	416,324
Others	<u>33,917</u>	<u>41,475</u>	<u>57,350</u>
	<u>\$ 497,256</u>	<u>\$ 682,433</u>	<u>\$ 924,804</u>
<u>Prepaid expense</u>			
Excess business tax paid	\$ 125,852	\$ 292,831	\$ 406,410
Prepayments for insurance premiums	74,704	36,555	41,857
Inventory of supplies	41,651	33,187	31,865
Prepayments for repairs	27,542	21,778	17,784
Others	<u>72,172</u>	<u>33,626</u>	<u>55,285</u>
	<u>\$ 341,921</u>	<u>\$ 417,977</u>	<u>\$ 553,201</u>
<u>Non-current</u>			
Refundable deposits (Note)	\$ 791,981	\$ 934,365	\$ 797,540
Prepayment for equipment	132,878	155,238	155,144
Others	<u>45,262</u>	<u>18,582</u>	<u>922</u>
	<u>\$ 970,121</u>	<u>\$ 1,108,185</u>	<u>\$ 953,606</u>

Note: The Group evaluated that certain refundable deposits were not recoverable. Therefore, impairment losses of \$10,000 thousand, which was recognized in other gains and losses on the consolidated statement of comprehensive income for the nine months ended September 30, 2023.

18. BORROWINGS

a. Short-term bank loans

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Unsecured borrowings</u>			
Working capital loan	\$ 64,830	\$ 69,720	\$ 192,942

The effective interest rate ranges on the working capital loan were 0.53%, 0.53% and 0.68%-2.95% as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

b. Long-term debts

	September 30, 2023	December 31, 2022	September 30, 2022
1) Secured Borrowings (Note 30)	\$ 18,548,198	\$ 20,414,539	\$ 16,331,235
2) Unsecured Borrowings	<u>7,618,959</u>	<u>10,121,464</u>	<u>17,641,868</u>
	26,167,157	30,536,003	33,973,103
Less: Current portion	<u>(271,499)</u>	<u>(182,434)</u>	<u>(292,064)</u>
	<u>\$ 25,895,658</u>	<u>\$ 30,353,569</u>	<u>\$ 33,681,039</u>

1. Repayable continually from June 2025 to December 2038; interest rates at 1.15%-1.60% on September 30, 2023, 1.025%-1.68% on December 31, 2022 and 0.90%-1.51% on September 30, 2022.

2. Repayable continually from March 2026 to December 2028; interest rates at 0.60%-1.65% on September 30, 2023, 0.60%-5.64% on December 31, 2022 and 0.60%-4.36% on September 30, 2022.

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.

19. OTHER LIABILITIES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Accrued expenses and other current liabilities			
Salaries and bonus	\$ 2,812,119	\$ 3,541,372	\$ 3,308,402
Advance receipts from disposal of subsidiaries	1,894,346	-	-
Payable for utilities	319,577	220,057	333,147
Payable for insurance	232,941	254,753	214,316
Agency receipts	212,361	405,740	408,721
Guarantee deposits (a)	170,955	131,934	144,332
Payable for annual leave	55,997	37,502	144,892
Indemnification payable (b)	15,664	131,408	132,492
Others	<u>3,280,226</u>	<u>3,394,902</u>	<u>3,827,137</u>
	<u>\$ 8,994,186</u>	<u>\$ 8,117,668</u>	<u>\$ 8,513,439</u>

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Non-current</u>			
Other liabilities			
Guarantee deposits (a)	\$ 644,779	\$ 735,683	\$ 802,535
Others	<u>6,859</u>	<u>12,599</u>	<u>11,561</u>
	<u>\$ 651,638</u>	<u>\$ 748,282</u>	<u>\$ 814,096</u> (Concluded)

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

20. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Corporation's defined benefit retirement plans were \$2,455 thousand, \$2,185 thousand, \$7,465 thousand and \$6,742 thousand for the three months and nine months ended September 30, 2023 and 2022, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2023 and 2022.

21. EQUITY

- a. Capital stock

- 1) Ordinary shares

	September 30, 2023	December 31, 2022	September 30, 2022
Share authorized (in thousands of shares)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Share authorized (in thousands of dollars)	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>
Share issued and fully paid (in thousands of shares)	<u>759,147</u>	<u>759,147</u>	<u>759,147</u>
Share issued (in thousands of dollars)	<u>\$ 7,591,466</u>	<u>\$ 7,591,466</u>	<u>\$ 7,591,466</u>

Fully paid ordinary shares, which have a par value of \$10, carry 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 September 30, 2023, 22 units of GDSs of PTI were trading on the Luxembourg Share Exchange. The number of ordinary shares represented by the GDSs was 44 shares (one GDS represents 2 ordinary shares).

b. Capital surplus

	September 30, 2023	December 31, 2022	September 30, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (1)			
Share premium	\$ 1,879	\$ 1,879	\$ 1,879
<u>May be used to offset a deficit only</u>			
Arising from treasury share transactions	158,488	75,888	75,888
Changes in percentage of ownership interests in subsidiaries (2)	<u>71,829</u>	<u>71,773</u>	<u>71,773</u>
	<u>\$ 232,196</u>	<u>\$ 149,540</u>	<u>\$ 149,540</u>

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

c. Retained earnings and dividends policy

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

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

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

For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 23(g).

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

The appropriations of earnings for 2022 and 2021 were approved in the shareholders' meeting on May 31, 2023 and May 27, 2022, respectively. The appropriations and dividends per share were as follows:

	For the Year Ended December 31	
	2022	2021
Legal reserve	\$ <u>870,416</u>	\$ <u>890,790</u>
Special reserve	\$ <u>(108,395)</u>	\$ <u>343,641</u>
Cash dividends	\$ <u>5,314,026</u>	\$ <u>5,162,197</u>
Cash dividends per share (NT\$)	\$ 7	\$ 6.8

d. Others equity items

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ <u>(501,790)</u>	\$ <u>(690,969)</u>
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	<u>(8,781)</u>	<u>210,748</u>
Other comprehensive (loss) income recognized for the period	<u>(8,781)</u>	<u>210,748</u>
Reclassification adjustments		
Equity directly associated with disposal groups held for sale	<u>44,344</u>	<u>-</u>
Balance at September 30	\$ <u>(466,227)</u>	\$ <u>(480,221)</u>

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ <u>(32,655)</u>	\$ <u>(19,654)</u>
Recognized for the period		
Unrealized (loss) gain - equity instruments	<u>13,579</u>	<u>(6,774)</u>
Other comprehensive income recognized for the period	<u>13,579</u>	<u>(6,774)</u>
Balance at September 30	\$ <u>(19,076)</u>	\$ <u>(26,428)</u>

e. Non-controlling interests

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 14,034,080	\$ 13,799,059
Share in profit for the period	1,112,623	1,827,762
Other comprehensive income (loss) for the period		
Exchange differences on translation of the financial statements of foreign entities	46,389	(39,769)
The Parent's shares held by its subsidiaries treated as treasury shares	-	(91,361)
Donations from shareholders	74	-
Cash dividends distributed by subsidiaries	<u>(1,353,965)</u>	<u>(1,734,690)</u>
Balance at September 30	<u>\$ 13,839,201</u>	<u>\$ 13,761,001</u>

f. Treasury share

Purpose of Buy-Back	Shares Cancelled (In Thousands of Shares)	Share Held by Subsidiary (In Thousands of Shares)
Number of shares at January 1, 2022	10,412	10,000
Increase during the period	9,588	1,800
Decrease during the period	<u>(20,000)</u>	<u>-</u>
Number of shares at January 1, 2023 and September 30, 2023	<u>-</u>	<u>11,800</u>

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

Name of Subsidiary	Number of Share Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>September 30, 2023</u>			
Greatek Electronics Inc.	11,800	\$ 1,197,700	\$ 1,197,700
<u>December 31, 2022</u>			
Greatek Electronics Inc.	11,800	\$ 934,560	\$ 934,560
<u>September 30, 2022</u>			
Greatek Electronics Inc.	11,800	\$ 909,780	\$ 909,780

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

22. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Revenue from contracts with customers				
Revenue from packaging services	\$ 12,570,137	\$ 14,162,345	\$ 35,578,952	\$ 44,327,078
Revenue from testing services	4,171,444	4,938,102	11,943,614	14,499,303
Revenue from module services	1,703,009	2,310,180	3,862,077	6,652,638
Others	<u>4,381</u>	<u>19,506</u>	<u>22,450</u>	<u>45,088</u>
	<u>\$ 18,448,971</u>	<u>\$ 21,430,133</u>	<u>\$ 51,407,093</u>	<u>\$ 65,524,107</u>

a. Contract information

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

b. Contract balances

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Notes and accounts receivable (including related parties) (Note 10)	<u>\$ 17,687,790</u>	<u>\$ 14,346,898</u>	<u>\$ 17,113,592</u>	<u>\$ 17,975,014</u>
Contract assets				
Revenue from processing services	<u>\$ 2,313,199</u>	<u>\$ 2,645,344</u>	<u>\$ 2,737,162</u>	<u>\$ 2,418,865</u>
Contract liabilities				
Revenue from processing services	<u>\$ 140,778</u>	<u>\$ 226,859</u>	<u>\$ 233,343</u>	<u>\$ 164,824</u>

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

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
From the contract liabilities at the beginning of the year				
Revenue from processing services	<u>\$ 13,669</u>	<u>\$ 7,838</u>	<u>\$ 127,133</u>	<u>\$ 136,718</u>

c. Disaggregation of revenue

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
<u>Primary geographical markets</u>				
Japan	\$ 5,477,771	\$ 7,486,602	\$ 16,369,868	\$ 20,691,227
Singapore	5,434,974	2,717,877	10,003,857	8,952,146
Taiwan (The principal place of business of the Corporation)	3,502,983	5,847,883	14,562,303	19,898,713
America	2,471,046	3,829,781	6,076,463	11,044,005
China, Hong Kong and Macao	623,476	540,841	1,655,212	1,675,962
Europe	419,384	485,624	1,300,863	1,507,231
Others	<u>519,337</u>	<u>521,525</u>	<u>1,438,527</u>	<u>1,754,823</u>
	<u>\$ 18,448,971</u>	<u>\$ 21,430,133</u>	<u>\$ 51,407,093</u>	<u>\$ 65,524,107</u>

23. NET PROFIT FROM CONTINUING OPERATIONS

a. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Fair value changes of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	\$ (3,012)	\$ (5,167)	\$ 35,872	\$ (39,260)
Financial liabilities classified as held for trading	(90,581)	(282,607)	(289,757)	(654,022)
Others	<u>12,276</u>	<u>115,737</u>	<u>321,281</u>	<u>189,853</u>
	<u>\$ (81,317)</u>	<u>\$ (172,037)</u>	<u>\$ 67,396</u>	<u>\$ (503,429)</u>

b. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Bank deposits	\$ 64,985	\$ 23,541	\$ 199,381	\$ 46,985
Financial assets measured at amortized cost	<u>164</u>	<u>292</u>	<u>521</u>	<u>2,104</u>
	<u>\$ 65,149</u>	<u>\$ 23,833</u>	<u>\$ 199,902</u>	<u>\$ 49,089</u>

c. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Rental income				
Operating lease rental income	<u>\$ 3,645</u>	<u>\$ 17,351</u>	<u>\$ 9,546</u>	<u>\$ 55,008</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Interest on bank loans	\$ 101,516	\$ 88,864	\$ 306,232	\$ 225,773
Interest on lease liabilities	6,057	5,827	18,169	17,596
Capitalized interest	<u>(20,456)</u>	<u>(24,731)</u>	<u>(74,953)</u>	<u>(65,193)</u>
	<u>\$ 87,117</u>	<u>\$ 69,960</u>	<u>\$ 249,448</u>	<u>\$ 178,176</u>

Information about capitalized interest was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Capitalized interest	\$ 20,456	\$ 24,731	\$ 74,953	\$ 65,193
Capitalization rate	1.34%-1.47%	0.83%-1.19%	1.34%-1.47%	0.83%-1.19%

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Property, plant and equipment	\$ 3,426,453	\$ 3,777,890	\$ 10,227,379	\$ 11,008,969
Right-of-use assets	16,542	15,287	51,405	46,428
Intangible assets	<u>7,424</u>	<u>8,604</u>	<u>23,049</u>	<u>27,992</u>
	<u>\$ 3,450,419</u>	<u>\$ 3,801,781</u>	<u>\$ 10,301,833</u>	<u>\$ 11,083,389</u>
An analysis of depreciation by function				
Cost of revenue	\$ 3,202,448	\$ 3,621,395	\$ 9,611,084	\$ 10,595,449
Operating expenses	<u>240,547</u>	<u>171,782</u>	<u>667,700</u>	<u>459,948</u>
	<u>\$ 3,442,995</u>	<u>\$ 3,793,177</u>	<u>\$ 10,278,784</u>	<u>\$ 11,055,397</u>
An analysis of amortization by function				
Cost of revenue	\$ 5,129	\$ 6,328	\$ 16,118	\$ 20,396
Operating expenses	<u>2,295</u>	<u>2,276</u>	<u>6,931</u>	<u>7,596</u>
	<u>\$ 7,424</u>	<u>\$ 8,604</u>	<u>\$ 23,049</u>	<u>\$ 27,992</u>

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

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Post-employment benefits				
Defined contribution plans	\$ 149,453	\$ 161,197	\$ 455,804	\$ 476,240
Defined benefit plans (Note 20)	<u>2,455</u>	<u>2,185</u>	<u>7,465</u>	<u>6,742</u>
	151,908	163,382	463,269	482,982
Termination benefits	365	178	2,465	185
Other employee benefits	<u>4,139,055</u>	<u>5,081,078</u>	<u>11,494,431</u>	<u>15,132,673</u>
 Total employee benefits expense	 <u>\$ 4,291,328</u>	 <u>\$ 5,244,638</u>	 <u>\$ 11,960,165</u>	 <u>\$ 15,615,840</u>
 An analysis of employee benefits expense by function				
Cost of revenue	\$ 3,605,525	\$ 4,390,119	\$ 10,337,960	\$ 13,085,324
Operating expenses	<u>685,803</u>	<u>854,519</u>	<u>1,622,205</u>	<u>2,530,516</u>
	<u>\$ 4,291,328</u>	<u>\$ 5,244,638</u>	<u>\$ 11,960,165</u>	<u>\$ 15,615,840</u>

g. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of PTI, PTI accrues compensation of employees and remuneration of directors at the rates between 5% and 7.5% and no higher than 1.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if PTI has accumulated deficits (including adjustment of unappropriated earnings), PTI should retain the net profit in advance for deducting accumulated deficits. For the three months and nine months ended September 30, 2023 and 2022, respectively, the compensation of employees and the remuneration of directors were as follows:

Accrual rate

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Compensation of employees	5.56%	5.41%	5.56%	5.41%
Remuneration of directors	1.11%	1.08%	1.11%	1.08%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
	Cash	Cash	Cash	Cash
Compensation of employees	\$ 106,182	\$ 161,641	\$ 272,942	\$ 495,299
Remuneration of directors	21,236	32,328	54,588	99,060

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 2022 and 2021 that were resolved by the board of directors on March 10, 2023 and March 10, 2022, respectively, are as shown below:

	For the Year Ended December 31	
	2022	2021
	Cash	Cash
Compensation of employees	\$ 586,354	\$ 600,642
Remuneration of directors	117,271	120,128

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, 2022 and 2021.

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

h. Gains or losses on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Foreign exchange gains	\$ 695,742	\$ 1,406,755	\$ 1,678,009	\$ 3,008,643
Foreign exchange losses	<u>(21,892)</u>	<u>(467,514)</u>	<u>(712,836)</u>	<u>(1,076,875)</u>
Net gains	<u>\$ 673,850</u>	<u>\$ 939,241</u>	<u>\$ 965,173</u>	<u>\$ 1,931,768</u>

24. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ 559,524	\$ 700,151	\$ 1,250,940	\$ 2,358,526
Income tax on unappropriated earnings	11,250	-	11,250	-
Adjustments for prior year	<u>-</u>	<u>-</u>	<u>(29,609)</u>	<u>28,354</u>
	570,774	700,151	1,232,581	2,386,880
Deferred tax				
In respect of the current period	<u>27,067</u>	<u>52,957</u>	<u>173,456</u>	<u>124,656</u>
Income tax expense recognized in profit or loss	<u>\$ 597,841</u>	<u>\$ 753,108</u>	<u>\$ 1,406,037</u>	<u>\$ 2,511,536</u>

b. Income tax assessments

Income tax returns through 2021 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Basic earnings per share	\$ 2.10	\$ 3.20	\$ 5.41	\$ 9.79
Diluted earnings per share	\$ 2.10	\$ 3.18	\$ 5.38	\$ 9.69

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

Net Profit for the Periods

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Profit of the period attributable to owner of the Parent	\$ 1,573,066	\$ 2,394,683	\$ 4,043,580	\$ 7,337,766
Effect of potentially dilutive ordinary shares:				
Compensation of employees	-	-	-	-
Earnings used in the computation of diluted earnings per share	\$ 1,573,066	\$ 2,394,683	\$ 4,043,580	\$ 7,337,766

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	747,347	747,801	747,347	749,220
Effect of potentially dilutive ordinary shares:				
Compensation of employees	2,689	6,424	4,335	8,014
Weighted average number of ordinary shares used in the computation of dilutive earnings per share	750,036	754,225	751,682	757,234

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.

26. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Get-Team Tech Corporation (Get-Team)	Metal plating on semiconductor lead frame	October 5, 2022	97.46	<u>\$ 171,523</u>

Get-Team Tech was acquired in order to continue the expansion of assembly service.

b. Consideration transferred

	Get-Team Tech Corporation
Cash	<u>\$ 171,523</u>

The fair value of the ordinary shares of Get-Team, determined by an independent expert on distribution of cash at the date of the acquisition, amounted to \$171,523 thousand.

c. Assets acquired and liabilities assumed at the date of acquisition

	Get-Team Tech Corporation
Current assets	
Cash	\$ 44,329
Accounts receivable	45,692
Inventories	3,353
Other current assets	11,587
Non-current assets	
Property, plant and equipment	41,468
Right-of-use assets	17,997
Intangible assets	41,383
Other non-current assets	1,040
Current liabilities	
Accounts payable	(8,979)
Accrued compensation to employees and remuneration to directors	(160)
Current income tax liabilities	(1,287)
Accrued expenses and other current liabilities	(8,067)
Non-current liabilities	
Deferred income tax liabilities	(11,775)
Lease liabilities	<u>(19,623)</u>
	<u>\$ 156,958</u>

The tax bases of Get-Team's assets were required to be based on the market values of the assets. At the date of issuance of these consolidated financial statements, the necessary market valuations and other calculations have been finalized, and been determined based on the market values of the tax values.

d. Non-controlling interests

The non-controlling interest (a 2.54% ownership interest in Get-Team) recognized at the acquisition date was measured by reference to the fair value of the non-controlling interest.

e. Goodwill recognized on acquisitions

	Get-Team Tech Corporation
Consideration transferred	\$ 171,523
Plus: Non-controlling interests (2.54% in Get-Team)	3,331
Less: Fair value of identifiable net assets acquired	<u>(156,958)</u>
	<u>\$ 17,896</u>

The goodwill recognized in the acquisitions of Get-Team mainly represents the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth, future market development and the assembled workforces of Get-Team. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

f. Net cash outflow on the acquisition of subsidiaries

	Get-Team Tech Corporation
Consideration paid in cash	\$ 171,523
Less: Cash and cash equivalent balances acquired	<u>(44,329)</u>
	<u>\$ 127,194</u>

27. CAPITAL MANAGEMENT

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

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

28. FINANCIAL INSTRUMENTS

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

September 30, 2023

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

December 31, 2022

<u>December 31, 2022</u>		Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
<u>Financial assets</u>						
Financial assets at amortized cost						
Domestic corporate bonds	\$	100,000	\$	-	\$	100,082

September 30, 2022

		September 30, 2022			
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 150,000	\$ -	\$ 150,135	\$ -	\$ 150,135

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

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

1) Fair value hierarchy

September 30, 2023

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

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 28,209	\$ -	\$ -	\$ 28,209
Derivative instruments	-	38,410	-	38,410
	\$ 28,209	\$ 38,410	\$ -	\$ 66,619
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ 943	\$ 16,200	\$ -	\$ 17,143
Financial liabilities at FVTPL				
Derivative instruments	\$ -	\$ 7,446	\$ -	\$ 7,446

September 30, 2022

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

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

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

c. Categories of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 3,482	\$ 66,619	\$ 1,447
Financial assets at amortized cost (Note 1)	38,022,235	36,770,102	40,850,393
Financial assets at FVTOCI			
Equity instruments	30,722	17,143	23,370
<u>Financial liabilities</u>			
FVTPL			
Held for trading	25,874	7,446	168,283
Amortized cost (Note 2)	35,362,294	40,883,693	47,741,492

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

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

d. Financial risk management objectives and policies

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

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

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

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

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

Sensitivity analysis

The Corporation was mainly exposed to the USD and JPY.

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

	USD Impact		JPY Impact	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2023	2022	2023	2022
Profit or loss	\$ (814,701)	\$ (667,125)	\$ 21,461	\$ 38,785

b) Interest rate risk

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

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

	September 30, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
Financial assets	\$ 6,557,264	\$ 7,326,077	\$ 8,086,950
Financial liabilities	493,789	670,474	686,089
Cash flow interest rate risk			
Financial assets	11,549,208	13,467,495	14,015,046
Financial liabilities	25,738,198	29,935,249	33,479,956

Sensitivity analysis

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

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the nine months ended September 30, 2023 and 2022 would decrease/increase by \$10,642 thousand and \$14,599 thousand, respectively, which was mainly attributable to the Corporation's exposure to interest rate risk on its variable-rate net liabilities.

c) Other price risk

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

Sensitivity analysis

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

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 5% higher/lower, the Corporation's pre-tax profit for the nine months ended September 30, 2023 and 2022 would increase/decrease by \$1,536 thousand and \$1,169 thousand, respectively, as a result of the changes in fair value of financial instruments classified as FVTOCI.

2) Credit risk

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

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

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

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

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

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

Credit risk management for investments in debt instruments

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

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

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

3) Liquidity risk

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

The Corporation relies on bank borrowings as a significant source of liquidity. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Corporation had available unutilized overdraft and short-term bank loan facilities of approximately \$3,532,887 thousand, \$4,578,641 thousand and \$4,481,944 thousand, respectively.

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

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

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

September 30, 2023

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

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 65,481</u>	<u>\$ 224,015</u>	<u>\$ 238,652</u>	<u>\$ 235,651</u>	<u>\$ 234,291</u>	<u>\$ 833,561</u>
Variable interest rate	<u>\$ 139,137</u>	<u>\$ 22,922,307</u>	<u>\$ 2,287,995</u>	<u>\$ 369,757</u>	<u>\$ 19,002</u>	<u>\$ -</u>
Guarantee deposits	<u>\$ 170,955</u>	<u>\$ 643,305</u>	<u>\$ 1,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 4,222,227	\$ 4,431,558	\$ 756,568	\$ -	\$ -
Lease liabilities	7,856	15,712	66,467	226,174	1,578,124
Fixed interest rate liabilities	-	118,524	133,630	418,320	-
Variable interest rate liabilities	-	-	-	23,802,779	6,132,470
Guarantee deposits	<u>17,630</u>	<u>-</u>	<u>114,348</u>	<u>650,568</u>	<u>85,071</u>
	<u>\$ 4,247,713</u>	<u>\$ 4,565,794</u>	<u>\$ 1,071,013</u>	<u>\$ 25,097,841</u>	<u>\$ 7,795,665</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 90,035</u>	<u>\$ 226,174</u>	<u>\$ 239,117</u>	<u>\$ 236,011</u>	<u>\$ 234,291</u>	<u>\$ 868,705</u>
Variable interest rate	<u>\$ -</u>	<u>\$ 23,802,779</u>	<u>\$ 5,689,903</u>	<u>\$ 366,857</u>	<u>\$ 75,710</u>	<u>\$ -</u>
Guarantee deposits	<u>\$ 131,978</u>	<u>\$ 650,568</u>	<u>\$ 85,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>

September 30, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liability	\$ 5,268,435	\$ 6,325,731	\$ 1,034,414	\$ -	\$ -
Lease liabilities	7,070	14,004	62,040	200,336	1,590,124
Fixed interest rate liabilities	-	117,647	131,940	436,502	-
Variable interest rate liabilities	-	126,971	108,448	24,165,429	9,079,108
Guarantee deposits	<u>49,970</u>	<u>-</u>	<u>94,362</u>	<u>672,601</u>	<u>129,934</u>
	<u>\$ 5,325,475</u>	<u>\$ 6,584,353</u>	<u>\$ 1,431,204</u>	<u>\$ 25,474,868</u>	<u>\$ 10,799,166</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 83,114</u>	<u>\$ 200,336</u>	<u>\$ 239,242</u>	<u>\$ 236,171</u>	<u>\$ 234,291</u>	<u>\$ 880,420</u>
Variable interest rate	<u>\$ 235,419</u>	<u>\$ 24,165,429</u>	<u>\$ 8,618,698</u>	<u>\$ 365,896</u>	<u>\$ 94,514</u>	<u>\$ -</u>
Guarantee deposits	<u>\$ 144,332</u>	<u>\$ 672,601</u>	<u>\$ 129,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>

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

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

September 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 801,417	\$ 198,652	\$ 58,404
Outflows	<u>(815,606)</u>	<u>(205,979)</u>	<u>(59,280)</u>
	<u>\$ (14,189)</u>	<u>\$ (7,327)</u>	<u>\$ (876)</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 2,290,374	\$ 1,585,405	\$ 27,408
Outflows	<u>(2,262,019)</u>	<u>(1,583,022)</u>	<u>(27,182)</u>
	<u>\$ 28,355</u>	<u>\$ 2,383</u>	<u>\$ 226</u>

September 30, 2022

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

c) Financing facilities

	September 30, 2023	December 31, 2022	September 30, 2022
Secured bank loan facilities which may be mutually extended			
Amount used	\$ 18,548,198	\$ 20,414,539	\$ 16,331,235
Amount unused	<u>6,500,000</u>	<u>6,900,000</u>	<u>5,400,000</u>
	<u>\$ 25,048,198</u>	<u>\$ 27,314,539</u>	<u>\$ 21,731,235</u>

29. TRANSACTIONS WITH RELATED PARTIES

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

a. Related Party Name and Relationship

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

b. Sales of goods

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Sales of goods	Substantial related parties				
	Kioxia Corporation	\$ 3,809,697	\$ 5,830,371	\$ 11,121,047	\$ 16,236,329
	Others	<u>650,325</u>	<u>514,163</u>	<u>1,640,167</u>	<u>1,538,783</u>
		<u>\$ 4,460,022</u>	<u>\$ 6,344,534</u>	<u>\$ 12,761,214</u>	<u>\$ 17,775,112</u>

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

c. Purchases

<u>Related Party Category/Name</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Substantial related parties	<u>\$ 57,961</u>	<u>\$ 352,232</u>	<u>\$ 86,870</u>	<u>\$1,061,154</u>

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

d. Cost of revenue and expenses

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Substantial related parties	\$ <u>3,000</u>	\$ <u>-</u>	\$ <u>3,000</u>	\$ <u>162</u>

Operating costs mainly was donation and occasional fee.

e. Other gains and losses

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Substantial related parties				
Kioxia Corporation	\$ (402)	\$ 3,634	\$ 24,265	\$ 7,632
Others	<u>(1,220)</u>	<u>-</u>	<u>(1,159)</u>	<u>24</u>
	\$ <u>(1,622)</u>	\$ <u>3,634</u>	\$ <u>23,106</u>	\$ <u>7,656</u>

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

f. Contract assets

Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Substantial related parties			
Kioxia Corporation	\$ 729,857	\$ 829,624	\$ 923,936
Others	<u>89,002</u>	<u>75,486</u>	<u>76,849</u>
	\$ <u>818,859</u>	\$ <u>905,110</u>	\$ <u>1,000,785</u>

For the nine months ended September 30, 2023 and 2022, no impairment loss was recognized for contract assets from related parties.

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

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Accounts receivable from related parties	Substantial related parties			
	Kioxia Corporation	\$ 5,235,818	\$ 4,769,255	\$ 6,118,341
	Others	<u>599,251</u>	<u>325,226</u>	<u>465,717</u>
		\$ <u>5,835,069</u>	\$ <u>5,094,481</u>	\$ <u>6,584,058</u>

The outstanding accounts receivable from related parties are unsecured. For the nine months ended September 30, 2023 and 2022, no impairment loss was recognized for accounts receivables from related parties.

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

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Accounts payables from related parties	Substantial related parties			
	Solid State Storage Technology Corporation	\$ 23,556	\$ 70,748	\$ 82,719
	Toshiba International Procurement Hong Kong, Ltd.	-	11,936	74,951
	Others	<u>1,097</u>	<u>-</u>	<u>-</u>
		<u>\$ 24,653</u>	<u>\$ 82,684</u>	<u>\$ 157,670</u>

The outstanding accounts payable from related parties are unsecured.

i. Other receivables from related parties

Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Substantial related parties			
Kioxia Corporation	\$ 16,101	\$ 65,783	\$ 61,383
Others	<u>773</u>	<u>328</u>	<u>556</u>
	<u>\$ 16,874</u>	<u>\$ 66,111</u>	<u>\$ 61,939</u>

j. Other payables to related parties

Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Substantial related parties			
Kioxia Corporation	\$ 39,351	\$ 31,758	\$ 187
Toshiba Trading Inc.	-	556	2,007
Others	<u>15</u>	<u>-</u>	<u>-</u>
	<u>\$ 39,366</u>	<u>\$ 32,314</u>	<u>\$ 2,194</u>

k. Acquisition of property, plant and equipment

Related Party Type	For the Nine Months Ended March 31	
	2023	2022
Substantial related party	<u>\$ 22,078</u>	<u>\$ -</u>

1. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term benefits	\$ 123,960	\$ 154,730	\$ 290,365	\$ 448,461
Post-employment benefits	<u>508</u>	<u>505</u>	<u>1,522</u>	<u>1,541</u>
	<u>\$ 124,468</u>	<u>\$ 155,235</u>	<u>\$ 291,887</u>	<u>\$ 450,002</u>

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	September 30, 2023	December 31, 2022	September 30, 2022
Property, plant and equipment	\$ 21,589,271	\$ 24,918,762	\$ 21,810,214
Pledge deposits (classified as financial assets at amortized cost - current)	18,510	13,468	13,468
Restricted deposits (classified as financial assets at amortized cost - current)	32,268	30,708	31,744
Pledge deposits (classified as financial assets at amortized cost - non-current)	<u>148,934</u>	<u>124,334</u>	<u>114,334</u>
	<u>\$ 21,788,983</u>	<u>\$ 25,087,272</u>	<u>\$ 21,969,760</u>

31. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

- From December 2020 to December 2021 and December, 2021 to August, PTI signed the purchase agreements of equipment worth \$588,119 thousand and \$523,210 thousand with Disco Hi-Tec Taiwan Co., Ltd. As of September 30, 2023, PTI has paid a total of \$550,606 thousand and \$413,766 thousand, respectively.
- From July 2021 to July 2022, PTI signed a contract worth \$728,248 thousand with Jian Ming Construction Co. Ltd. to set up new plant construction and factory engineering. As of September 30, 2023, PTI has paid a total of \$524,708 thousand.
- As of September 30, 2023, PTI unused letters of credit for purchases of machinery and equipment amounted to approximately JPY\$64,400 thousand and EUR\$2,240 thousand.
- In November 2021, PTI entered into capacity reservation agreements with Zhen Ding Technology Co., Ltd. The deposits in a required aggregate amount of US\$35,000 thousand were paid to suppliers in compliance with the agreements and refunded to PTI when terms set forth in the agreements have been satisfied. According to the agreements, the deposits will be refunded in 58 installments starting from March 2023. As of September 30, 2023, the Corporation has paid a total of US\$35,000 thousand, and recovered US\$4,200 thousand.

- e. From October, 2021 to January, 2022, January, 2022 to April, 2022, May, 2022 to July, 2022, July, 2022 to April, 2023 and April, 2023 to June, 2023, the TeraPower Technology Inc. signed a purchase agreement of equipment worth \$655,415 thousand, \$505,372 thousand, \$649,333 thousand, \$572,261 thousand and \$546,904 thousand with Advantest Taiwan Inc., As of September 30, 2023, the TeraPower Technology Inc. has paid a total of \$512,485 thousand, \$381,066 thousand, \$143,596 thousand, \$572,261 thousand and \$102,632 thousand, respectively.
- f. From July 2021 to July 2022, Tera Probe, Inc. signed a purchase agreement of equipment worth \$640,534 thousand with Teradyne Inc. As of September 30, 2023, Tera Probe, Inc. has paid \$609,928 thousand.
- g. In April 2022, Greatek Electronics Inc. signed a contract worth \$414,000 thousand with Jian Ming Contractor Co., Ltd. for construction of staff dorm. As of September 30, 2023, Greatek Electronics Inc. has paid a total of \$372,600 thousand.
- h. In July 2022, Greatek Electronics Inc. signed a contract worth \$418,000 thousand with Jiu Han System Technology Co., Ltd. for electromechanical air conditioning and fire engineering for staff dorm. As of September 30, 2023, Greatek Electronics Inc. has paid a total of \$292,600 thousand.

32. SIGNIFICANT EVENTS AFTER REPORTING PERIODS

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

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2023				
	Foreign Currency		Exchange Rate	Carrying Amount
<u>Financial assets</u>				
Monetary items				
USD	\$	636,874	32.2680 (USD:NTD)	\$ 20,550,650
USD		7,254	7.3001 (USD:RMB)	234,072
USD		6,351	149.3200 (USD:JPY)	204,934
JPY		311,729	0.2161 (JPY:NTD)	67,365
JPY		445	0.0489 (JPY:RMB)	96
JPY		152,544	0.0067 (JPY:USD)	32,965
SGD		644	0.7291 (SGD:USD)	15,150
RMB		38,227	0.1370 (RMB:USD)	168,971
RMB		17,112	4.4202 (RMB:NTD)	<u>75,638</u>
				<u>\$ 21,349,841</u>
Non-monetary items				
JYP		9,555	0.2161 (JPY:NTD)	\$ 2,065
RMB		321	4.4202 (RMB:NTD)	<u>1,417</u>
				<u>\$ 3,482</u>
(Continued)				

(Continued)

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

December 31, 2022			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 595,039	30.7080 (USD:NTD)	\$ 18,272,458
USD	9,588	6.9514 (USD:RMB)	294,428
USD	6,558	132.12 (USD:JPY)	201,383
JPY	883,774	0.2324 (JPY:NTD)	205,389
JPY	3,611	0.0526 (JPY:RMB)	839
JPY	200,090	0.0076 (JPY:USD)	46,501
SGD	642	0.7447 (SGD:USD)	14,681
RMB	33,070	0.1439 (RMB:USD)	146,087
RMB	13,358	4.4175 (RMB:NTD)	<u>59,009</u>
			<u>\$ 19,240,775</u>
Non-monetary items			
USD	904	30.7080 (USD:NTD)	\$ 27,755
JPY	45,846	0.2324 (JPY:NTD)	<u>10,655</u>
			<u>\$ 38,410</u>
			(Continued)

December 31, 2022			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 186,628	30.7080 (USD:NTD)	\$ 5,730,973
USD	4,743	6.9514 (USD:RMB)	145,648
USD	5,251	132.12 (USD:JPY)	161,248
EUR	1,134	32.7086 (EUR:NTD)	37,092
JPY	3,001,847	0.2324 (JPY:NTD)	697,629
JPY	96,703	0.0526 (JPY:RMB)	22,474
JPY	169,783	0.0076 (JPY:USD)	39,458
RMB	15,400	0.1439 (RMB:USD)	68,030
			<u>\$ 6,902,552</u>
Non-monetary items			
USD	212	30.7080 (USD:NTD)	\$ 6508
JPY	3,196	0.2324 (JPY:NTD)	743
RMB	44	4.4175 (RMB:NTD)	195
			<u>\$ 7,446</u>
			(Concluded)

September 30, 2022			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 648,284	31.7430 (USD:NTD)	\$ 20,578,479
USD	9,588	7.0931 (USD:RMB)	304,352
USD	5,498	144.3200 (USD:JPY)	174,523
JPY	672,116	0.2199 (JPY:NTD)	147,798
JPY	3,611	0.0491 (JPY:RMB)	794
JPY	225,050	0.0069 (JPY:USD)	49,488
SGD	608	0.6990 (SGD:USD)	13,490
RMB	14,339	0.1410 (RMB:USD)	64,170
RMB	12,367	4.4752 (RMB:NTD)	55,345
			<u>\$ 21,388,439</u>
Non-monetary items			
USD	1	31.7430 (USD:NTD)	\$ 38
JYP	2,766	0.2199 (JPY:NTD)	608
RMB	179	4.4752 (RMB:NTD)	801
			<u>\$ 1,447</u>
			(Continued)

September 30, 2022			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 236,849	31.7430 (USD:NTD)	\$ 7,518,298
USD	4,743	7.0931 (USD:RMB)	150,557
USD	1,449	144.3200 (USD:JPY)	45,996
EUR	1,463	31.2113 (EUR:NTD)	45,662
JPY	4,176,524	0.2199 (JPY:NTD)	918,418
JPY	96,703	0.0491 (JPY:RMB)	21,265
JPY	155,095	0.0069 (JPY:USD)	34,105
SGD	16	0.6990 (SGD:USD)	355
RMB	16,255	0.1410 (RMB:USD)	<u>72,744</u>
			<u>\$ 8,807,400</u>
Non-monetary items			
USD	4,926	31.7430 (USD:NTD)	\$ 156,302
JPY	48,012	0.2199 (JPY:NTD)	10,558
RMB	318	4.4752 (RMB:NTD)	<u>1,423</u>
			<u>\$ 168,283</u>
			(Concluded)

For the three and nine months ended September 30, 2023 and 2022, realized and unrealized net foreign exchange gains were \$673,850 thousand, \$939,241 thousand, \$965,173 thousand and \$1,931,768 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and currencies of the entities in the Corporation.

34. SEPARATELY DISCLOSED ITEMS

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

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

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

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

- m. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: None.

35. SEGMENT INFORMATION

The revenues, operating results and financial information of each plant presented to the chief operating decision maker are consistent with the information in the consolidated financial statements. The segment revenues and operating results for the nine months ended September 30, 2023 and 2022 are shown in the consolidated income statements for the nine months ended September 30, 2023 and 2022. The segment assets as of September 30, 2023, December 31, 2022 and September 30, 2022 are shown in the consolidated balance sheets as of September 30, 2023, December 31, 2022 and September 30, 2022.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

September 30, 2023

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares (In Thousands)	Carrying Value	% of Ownership	Fair Value	
Powertech Technology Inc.	<u>Stock</u> Solid state system Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	2,053	\$ 30,722	3	\$ 30,722	Note 3
Greatek Electronics Inc.	<u>Bond</u> P08 Taipower 3A	-	Financial assets at amortized cost – non-current	50	50,000	-	50,000	Note 2
	<u>Stock</u> Powertech Technology Inc.	Parent entity	Financial assets at fair value through other comprehensive income – non-current	11,800	1,197,700	2	1,197,700	Note 1
	SAMHOP Microelectronics Corp.	-	Financial assets at fair value through profit or loss – non-current	268	-	3	-	Note 4
	Terawins Inc.	-	Financial assets at fair value through profit or loss – non-current	643	-	2	-	Note 4
	Airwave Technologies Inc.	-	Financial assets at fair value through profit or loss – non-current	93	-	1	-	Note 4

Note 1: The fair value was based on stock closing price as of September 30, 2023.

Note 2: The fair value was based on trading market in hundreds of new Taiwan dollars as of September 30, 2023.

Note 3: The fair value of ordinary shares was based on stock closing price, and the fair value of privately placed shares was determined using valuation techniques as of September 30, 2023.

Note 4: The fair value was based on the carrying value as of September 30, 2023.

Note 5: As of September 30, 2023, the above marketable securities had not been pledged or mortgaged.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Powertech Technology Inc.	Kioxia Corporation Kingston Solution, Inc.	Corporate director's parent company The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	\$ 10,935,887	36	Note 1	\$ -	-	\$ 5,203,835	46	-
			Sale	303,598	1	Note 1	-	-	83,342	1	-
	Kingston Technology International Ltd	The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	234,066	1	Note 1	-	-	52,575	0.46	-
	Kingston Digital International Ltd.	The ultimate parent company of the related party is the juristic-person director of the Corporation.		143,573	0.47	Note 1	-	-	32,054	0.3	-
Greatek Electronics Inc.	Realtek Semiconductor Corp.	Parent company of Greatek Electronics Inc.'s corporate supervisor.	Sale	611,462	6	Net 60 days from monthly closing date	Note 2	Equivalent	290,922	10	-
	Realtek Singapore Private Limited	Same parent company as the director of Greatek Electronics Inc.	Sale	287,542	3	Net 60 days from monthly closing date	Note 2	Equivalent	99,137	3	-
TeraPower Technology Inc.	Kioxia Corporation	Parent company of corporate director of TeraPower Technology Inc.'s ultimate parent company.	Sale	185,160	4	Net 90 days from monthly closing date	-	-	31,983	3	-

Note 1: 35 to 120 days after the end of the month of the invoice date.

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

TABLE 3**POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****SEPTEMBER 30, 2023****(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debt
					Amount	Action Taken		
Powertech Technology Inc.	Kioxia Corporation	Corporate director's parent company	\$ 5,203,835	2.97	\$ -	-	\$ 1,181,446	\$ -
Greatek Electronics Inc.	Realtek Semiconductor corp.	Parent company of Greatek Electronics Inc.'s corporate director	290,922	4.32	-	-	104,313	-

TABLE 4**POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES****INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023****(In Thousands of New Taiwan Dollars)**

Company Name	Counterparty	Transaction Flow	Intercompany Transactions			
			Financial Statement Item	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
Powertech Technology Inc.	Greatek Electronics Inc.	1	Sales	\$ 3,368	Note 3	-
	TeraPower Technology Inc.	1	Sales	24,365	Note 3	-
	Powertech Technology (Suzhou) Ltd.	1	Sales	62,017	Note 3	-
	Tera Probe, Inc.	1	Sales	67	Note 3	-
	Powertech Technology (Suzhou) Ltd.	1	Purchase	2,277	Note 2	-
	Powertech Technology (Suzhou) Ltd.	1	Subcontract costs	243,997	Note 2	-
	Greatek Electronics Inc.	1	Subcontract costs	75,909	Note 2	-
	TeraPower Technology Inc.	1	Subcontract costs	199,756	Note 2	-
	Greatek Electronics Inc.	1	Production overhead	102	Note 2	-
	TeraPower Technology Inc.	1	Production overhead	3,505	Note 2	-
	TeraPower Technology Inc.	1	Rent income	647	Note 2	-
	TeraPower Technology Inc.	1	Rent	2,962	Note 2	-
	TeraPower Technology Inc.	1	Other gains and losses	96	Note 2	-
	Powertech Technology (Suzhou) Ltd.	1	Other gains and losses	4,736	Note 2	-
	Powertech Technology (Xian) Ltd.	1	Other gains and losses	16,221	Note 2	-
	Greatek Electronics Inc.	1	Accounts receivable from related parties	1,209	Note 3	-
	TeraPower Technology Inc.	1	Accounts receivable from related parties	2,694	Note 3	-
	Powertech Technology (Suzhou) Ltd.	1	Accounts receivable from related parties	21,101	Note 3	-
	Powertech Technology (Xian) Ltd.	1	Other receivables from related parties	8,963	Note 2	-
	Powertech Technology (Suzhou) Ltd.	1	Other receivables from related parties	62,046	Note 2	-
	TeraPower Technology Inc.	1	Other receivables from related parties	100	Note 2	-
	Powertech Technology (Suzhou) Ltd.	1	Disposal of property, plant and equipment	59,475	Note 2	-
	Powertech Technology (Xian) Ltd.	1	Disposal of property, plant and equipment	397	Note 2	-
	Greatek Electronics Inc.	1	Purchase of property, plant and equipment	188	Note 2	-
	Powertech Technology (Xian) Ltd.	1	Purchase of property, plant and equipment	44,323	Note 2	-
	Powertech Technology (Suzhou) Ltd.	1	Purchase of property, plant and equipment	400,324	Note 2	-
	Powertech Technology (Suzhou) Ltd.	1	Accounts payable to related parties	27	Note 2	-
	Powertech Technology (Suzhou) Ltd.	1	Other payables to related parties	91,186	Note 2	-
	Greatek Electronics Inc.	1	Other payables to related parties	51,777	Note 2	-
	TeraPower Technology Inc.	1	Other payables to related parties	63,956	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Other payables to related parties	22,721	Note 2	-
	Powertech Technology (Xian) Ltd.	1	Payable to equipment suppliers	44,729	Note 2	-
Tera Probe, Inc.	TeraPower Technology Inc.	1	Other receivables from related parties	49,015	Note 2	-
	TeraPower Technology Inc.	1	Payable to equipment suppliers	64,542	Note 2	-
	TeraPower Technology Inc.	1	Purchase of property, plant and equipment	163,483	Note 2	-

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

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

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

TABLE 5**POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES****INFORMATION OF INVESTEEES
SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)**

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2023	December 31, 2022	Number of Shares (In Thousands)	% of Ownership	Carrying Value			
Powertech Technology Inc.	TeraPower Technology Inc.	Hsinchu	Wafer probing test services	\$ 1,153,964	\$ 1,153,964	73,386	49	\$ 3,446,106	\$ 924,051	\$ 377,162	Notes 1 and 2
	Powertech Holding (BVI) Inc.	British Virgin Islands	Investment business	1,679,370	1,679,370	50	100	1,266,541	49,133	50,989	Notes 2 and 3
	Greatek Electronics Inc.	Miaoli	Semiconductor assembly and testing services	6,169,948	6,169,948	244,064	43	9,336,853	1,545,520	658,790	Notes 1 and 2
	Powertech Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 69,000	USD 69,000	69,000	100	2,354,770	249,379	249,860	Notes 2 and 3
	Powertech Technology Japan Ltd.	Japan	Investment business	USD 103,052	USD 103,052	-	100	3,537,964	308,827	321,410	Notes 2 and 3
Greatek Electronics Inc.	Tera Probe, Inc.	Japan	Wafer probing test services	\$ 230,616	\$ 230,616	1,077	12	462,499	641,570	84,256	Notes 2 and 3
	Get-Team Tech Corporation	Hsinchu	Metal plating on semiconductor lead frame	171,523	171,523	7,796	97.46	151,218	(8,697)	(13,168)	Note 3
Powertech Holding (BVI) Inc.	PTI Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 51,000	USD 51,000	103	100	USD 38,373	USD 1,489	USD 1,489	Note 3
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Japan	Wafer probing test services	USD 43,963	USD 43,963	4,440	49	USD 99,040	USD 20,759	USD 10,132	Notes 2 and 3
	Powertech Technology Akita Inc.	Japan	Semiconductor assembly and testing services	USD 58,329	USD 58,329	6	100	USD 8,426	USD (272)	USD (272)	Note 3
Tera Probe, Inc.	TeraPower Technology Inc.	Hsinchu	Wafer probing test services	JPY 4,348,056	JPY 4,348,056	76,381	51	JPY 4,348,056	JPY 4,130,510	JPY 2,106,560	Notes 1 and 2

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

Note 2: Including unrealized intercompany gains (losses).

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

TABLE 6**POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES****INFORMATION ON INVESTMENTS IN MAINLAND CHINA****SEPTEMBER 30, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company Accounted for Using the Equity Method	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investments from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investments from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of September 30, 2023 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2023	Note
					Outflow	Inflow							
Powertech Technology (Suzhou) Ltd.	Semiconductor testing and assembly services	\$ 3,226,800 (US\$ 100,000)	Note 1	\$ 1,645,668 (US\$ 51,000)	\$ -	\$ -	\$ 1,645,668 (US\$ 51,000)	\$ (16,276) (US\$ (521))	100%	\$ 69,737 (US\$ 2,258)	\$ 1,787,540 (US\$ 55,398)	\$ -	-
Powertech Semiconductor (Xian) Ltd.	Semiconductor testing and assembly services	2,258,760 (US\$ 70,000)	Note 1	1,740,600 (US\$ 53,942)	-	216,002 (US\$ 6,694)	1,524,598 (US\$ 47,248)	430,085 (US\$ 13,910)	100%	430,085 (US\$ 13,910)	3,049,266 (US\$ 94,498)	734,162 (US\$ 22,752)	-

Investee Company Accounted for Using the Equity Method	Accumulated Investment in Mainland China as of September 30, 2023 (In Thousands of USD)	Investment Amounts Authorized by the Investment Commission, MOEA (In Thousands of USD)	Ceiling Amount on of the Corporation's Investment in Mainland China
Powertech Technology (Suzhou) Ltd	US\$ 51,000	US\$ 79,000	\$ 30,663,579
Powertech Semiconductor (Xian) Ltd	US\$ 47,248	US\$ 70,000	

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

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

Note 3: Based on the exchange rate as of September 30, 2023.