

**Princeton Technology Corp.  
and Subsidiaries  
Consolidated Financial Statements for the  
Nine Months Ended September 30, 2024 and 2023  
Together with Independent Auditors' Review Report**

## **English Translation of Financial Statements Originally Issued in Chinese**

### Independent Auditors' Review Report

The Board of Directors and Stockholders  
Princeton Technology Corp.

#### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Princeton Technology Corp. and subsidiaries (the Company) as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated changes in equity and cash flows for the nine months then ended, and the notes to the consolidated financial statements, including the summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 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**

We conducted our reviews in accordance with Statement 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 such an audit opinion.

#### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine month ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

WU MENG TA

PAN JIN SHU

Crowe (TW) CPAs

November 8, 2024

#### **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 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 auditors' review report and consolidated financial statements shall prevail.

**English Translation of Consolidated Financial Statements Originally Issued in Chinese**

Princeton Technology Corp. and Subsidiaries

Consolidated Balance Sheets

September 30, 2024, December 31, 2023 and September 30, 2023

Assets	Note	September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%
<b>Current assets</b>							
Cash and cash equivalents	Note 6	\$ 455,099	20	\$ 251,301	10	\$ 219,476	9
Financial assets at fair value through profit or loss	Note 7	110,576	5	339,234	14	315,093	13
Financial assets at amortized cost	Note 9	44,967	2	-	-	-	-
Notes receivable, net	Note 10	1,387	-	2,738	-	3,262	-
Accounts receivable, net	Note 10	262,169	11	310,128	12	270,350	11
Other receivables	Notes 10&31	14,300	-	6,096	-	7,091	-
Current tax assets	Note 28	164	-	530	-	414	-
Inventories, net	Note 11	500,821	21	527,026	22	608,319	24
Prepayments		19,656	1	11,850	-	9,286	-
Other financial assets	Notes 6&32	2,049	-	2,031	-	4,092	-
Total current assets		<u>1,411,188</u>	<u>60</u>	<u>1,450,934</u>	<u>58</u>	<u>1,437,383</u>	<u>57</u>
<b>Non-current assets</b>							
Financial assets at fair value through profit or loss	Note 7	45,384	2	42,291	2	43,587	2
Financial assets at fair value through other comprehensive income	Note 8	49,175	2	51,281	2	52,685	2
Investments accounted for under the equity method	Notes 12&31	52,370	2	61,972	2	63,591	2
Property, plant and equipment	Notes 13&32	447,932	20	423,169	17	443,941	17
Right-of-use assets	Note 14	4,096	-	4,046	-	4,279	-
Investment property	Notes 15&32	273,269	12	269,432	11	284,706	11
Intangible assets	Note 16	4,093	-	3,939	-	4,017	-
Deferred tax assets	Note 28	14,201	-	13,482	-	13,537	1
Other noncurrent assets	Notes 17&33	45,443	2	194,560	8	204,188	8
Total non-current assets		<u>935,963</u>	<u>40</u>	<u>1,064,172</u>	<u>42</u>	<u>1,114,531</u>	<u>43</u>
Total assets		<u>\$ 2,347,151</u>	<u>100</u>	<u>\$ 2,515,106</u>	<u>100</u>	<u>\$ 2,551,914</u>	<u>100</u>
<b>Liabilities and stockholders' equity</b>							
<b>Current liabilities</b>							
Short-term loans	Notes 18&32	\$ 35,973	2	\$ 34,407	2	\$ 35,135	2
Contract liability	Note 23	6,310	-	7,678	-	9,123	-
Accounts payable		105,510	5	112,506	4	108,320	4
Other payables	Note 19	92,035	4	92,400	4	86,077	3
Other current liabilities		398	-	533	-	519	-
Total current liabilities		<u>240,226</u>	<u>11</u>	<u>247,524</u>	<u>10</u>	<u>239,174</u>	<u>9</u>
<b>Non-current liabilities</b>							
Deferred tax liability	Note 28	9,704	-	4,602	-	16,207	-
Net defined benefit liability	Note 20	10,858	-	12,266	-	14,141	-
Refundable deposits	Note 21	36,706	2	35,311	2	37,116	2
Total non-current liabilities		<u>57,268</u>	<u>2</u>	<u>52,179</u>	<u>2</u>	<u>67,464</u>	<u>2</u>
Total liabilities		<u>297,494</u>	<u>13</u>	<u>299,703</u>	<u>12</u>	<u>306,638</u>	<u>11</u>
<b>Equity attributable to the parent company</b>							
Capital	Note 22	1,809,437	77	1,809,437	72	1,809,437	71
Additional paid-in capital	Note 22	73,923	3	73,923	3	73,923	3
Retained earnings	Note 22						
Legal reserve		118,086	5	112,070	5	112,070	4
Special capital reserve		45,891	2	37,193	2	37,193	2
Unappropriated earnings		(150,044)	(7)	61,011	2	54,225	2
Total retained earnings		<u>13,933</u>	<u>-</u>	<u>210,274</u>	<u>9</u>	<u>203,488</u>	<u>8</u>
Other components of equity	Note 22	(25,428)	(1)	(45,891)	(2)	(13,629)	-
Total equity attributable to the parent		<u>1,871,865</u>	<u>79</u>	<u>2,047,743</u>	<u>82</u>	<u>2,073,219</u>	<u>82</u>
Non-controlling interests	Note 22	177,792	8	167,660	6	172,057	7
Total equity		<u>2,049,657</u>	<u>87</u>	<u>2,215,403</u>	<u>88</u>	<u>2,245,276</u>	<u>89</u>
Total liabilities and equity		<u>\$ 2,347,151</u>	<u>100</u>	<u>\$ 2,515,106</u>	<u>100</u>	<u>\$ 2,551,914</u>	<u>100</u>

The accompanying notes are integral part of consolidated financial statements.

**English Translation of Consolidated Financial Statements Originally Issued in Chinese**

Princeton Technology Corp. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the three months and nine months ended September 30, 2024 & 2023

	Note	2024.07.01~2024.09.30		2023.07.01~2023.09.30		2024.01.01~2024.09.30		2023.01.01~2023.09.30	
		Amount	%	Amount	%	Amount	%	Amount	%
Net sales	Notes 23&31	\$ 282,009	100	\$ 368,058	100	\$ 865,895	100	\$ 1,238,099	100
Cost of goods sold	Notes 11.20&24	(201,208)	(71)	(239,258)	(65)	(610,281)	(70)	(828,207)	(67)
Gross profit		80,801	29	128,800	35	255,614	30	409,892	33
Operating expenses	Notes 20.24&31								
Marketing		(14,393)	(5)	(13,852)	(4)	(41,262)	(5)	(41,305)	(3)
General and administrative		(43,122)	(15)	(42,895)	(12)	(122,349)	(14)	(120,967)	(10)
Research and development		(112,425)	(40)	(92,418)	(25)	(291,499)	(34)	(251,446)	(20)
Total operating expenses		(169,940)	(60)	(149,165)	(41)	(455,110)	(53)	(413,718)	(33)
Operating loss		(89,139)	(31)	(20,365)	(6)	(199,496)	(23)	(3,826)	-
Non-operating income and expenses									
Interest income	Note 25	295	-	275	-	2,417	-	2,049	-
Other gain and loss	Notes 26&31	17,499	6	22,241	6	60,352	7	65,578	4
Finance costs	Note 27	(167)	-	(363)	-	(586)	-	(1,833)	-
Share of loss of associates and joint ventures	Notes 4&12	(4,707)	(2)	(1,835)	-	(9,612)	(1)	(10,593)	-
Subtotal		12,920	4	20,318	6	52,571	6	55,201	4
(Loss) income from continuing operations before income tax		(76,219)	(27)	(47)	-	(146,925)	(17)	51,375	4
Income tax benefit (expense)	Note 28	876	-	(421)	-	851	-	(1,571)	-
Net (loss) income		(75,343)	(27)	(468)	-	(146,074)	(17)	49,804	4
Other comprehensive income and loss									
Items that will not be reclassified subsequently to profit or loss:									
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	Note 22	(922)	-	(840)	-	(3,503)	-	(532)	-
Income tax expense related to items that will not be reclassified subsequently to profit or loss	Note 28	-	-	-	-	-	-	-	-
Subtotal		(922)	-	(840)	-	(3,503)	-	(532)	-
Items that may be reclassified subsequently to profit or loss:									
Exchange differences on translation of foreign operations	Note 22	(18,607)	(7)	37,400	10	35,047	4	38,485	3
Share of other comprehensive (loss) income of subsidiaries and associates	Note 22	(47)	-	-	-	9	-	-	-
Income tax expense related to items that may be reclassified subsequently to profit or loss	Notes 22&28	2,817	1	(6,267)	(2)	(5,989)	(1)	(6,024)	-
Subtotal		(15,837)	(6)	31,133	8	29,067	3	32,461	3
Total other comprehensive income, net of tax		(16,759)	(6)	30,293	8	25,564	3	31,929	3
Total comprehensive income		\$ (92,102)	(33)	\$ 29,825	8	\$ (120,510)	(14)	\$ 81,733	7
Net (loss) income attributable to:									
Stockholders of the parent		\$ (74,074)	(27)	\$ 564	-	\$ (151,105)	(18)	\$ 53,378	4
Non-controlling interests		(1,269)	-	(1,032)	-	5,031	1	(3,574)	-
		\$ (75,343)	(27)	\$ (468)	-	\$ (146,074)	(17)	\$ 49,804	4
Comprehensive income attributable to:									
Stockholders of the parent		\$ (86,311)	(31)	\$ 24,792	7	\$ (130,642)	(15)	\$ 76,942	7
Non-controlling interests		(5,791)	(2)	5,033	1	10,132	1	4,791	-
		\$ (92,102)	(33)	\$ 29,825	8	\$ (120,510)	(14)	\$ 81,733	7
Earnings per share	Note 29								
Earnings per share-basic		\$ (0.41)		\$ -		\$ (0.84)		\$ 0.30	
Diluted earnings per share		\$ (0.41)		\$ -		\$ (0.84)		\$ 0.29	

**English Translation of Consolidated Financial Statements Originally Issued in Chinese**

Princeton Technology Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2024 & 2023

	Equity attributable to the parent													Non-controlling interests	Total Equity
	Additional paid-in capital					Retained earnings			Other components of equity			Total equity attributable to the parent			
	Common Stock	Premiums	Recognize changes in subsidiaries' ownership	Share of changes in equities of associates and joint venture	Employee stock options	Legal reserve	Special reserve	Unappropriated earnings (Accumulated losses)	Exchange differences arising on translation of foreign	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive					
Balance as of January 1, 2023	\$ 1,809,437	\$ 1,102	\$ 39	\$ 15,411	\$ 4,592	\$ 94,775	\$ -	\$ 172,948	\$ (118)	\$ (37,075)	\$ 2,061,111	\$ 167,266	\$ 2,228,377		
Appropriations of 2022 earnings															
Legal reserve	-	-	-	-	-	17,295	-	(17,295)	-	-	-	-	-		
Special reserve	-	-	-	-	-	-	37,193	(37,193)	-	-	-	-	-		
Cash dividends to shareholders	-	-	-	-	-	-	-	(117,613)	-	-	(117,613)	-	(117,613)		
Adjustments to share of changes in equities of associates and joint venture	-	-	-	52,779	-	-	-	-	-	-	52,779	-	52,779		
Net income for the nine months ended September 30, 2023	-	-	-	-	-	-	-	53,378	-	-	53,378	(3,574)	49,804		
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	24,096	(532)	23,564	8,365	31,929		
Total comprehensive income	-	-	-	-	-	-	-	53,378	24,096	(532)	76,942	4,791	81,733		
Balance as of September 30, 2023	\$ 1,809,437	\$ 1,102	\$ 39	\$ 68,190	\$ 4,592	\$ 112,070	\$ 37,193	\$ 54,225	\$ 23,978	\$ (37,607)	\$ 2,073,219	\$ 172,057	\$ 2,245,276		
Balance as of January 1, 2024	\$ 1,809,437	\$ 1,102	\$ 39	\$ 68,190	\$ 4,592	\$ 112,070	37,193	\$ 61,011	\$ (9,122)	\$ (36,769)	\$ 2,047,743	\$ 167,660	\$ 2,215,403		
Appropriations of 2023 earnings															
Legal reserve	-	-	-	-	-	6,016	-	(6,016)	-	-	-	-	-		
Special reserve	-	-	-	-	-	-	8,698	(8,698)	-	-	-	-	-		
Cash dividends to shareholders	-	-	-	-	-	-	-	(45,236)	-	-	(45,236)	-	(45,236)		
Net (loss) income for the nine months ended September 30, 2024	-	-	-	-	-	-	-	(151,105)	-	-	(151,105)	5,031	(146,074)		
Other comprehensive income (loss) for the six months ended September 30, 2024	-	-	-	-	-	-	-	-	23,966	(3,503)	20,463	5,101	25,564		
Total comprehensive income	-	-	-	-	-	-	-	(151,105)	23,966	(3,503)	(130,642)	10,132	(120,510)		
Balance as of September 30, 2024	\$ 1,809,437	\$ 1,102	\$ 39	\$ 68,190	\$ 4,592	\$ 118,086	\$ 45,891	\$ (150,044)	\$ 14,844	\$ (40,272)	\$ 1,871,865	\$ 177,792	\$ 2,049,657		

The accompanying notes are integral part of financial statements.

**English Translation of Consolidated Financial Statements Originally Issued in Chinese**

Princeton Technology Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2024& 2023

	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Cash flows from operating activities:		
Net (loss) income before tax	\$ (146,925)	\$ 51,375
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation	39,565	40,810
Amortization expense	25	44
Net income of financial assets at fair value through profit or loss	(6,895)	(15,305)
Finance costs	586	1,833
Interest income	(2,417)	(2,049)
Dividend income	(62)	-
Share of loss of associates and joint ventures	9,612	10,593
Gain on disposal of property, plant and equipment, net	(98)	(115)
Changes in operating assets and liabilities:		
Decrease (increase) in :		
Mandatorily classified FVTPL	245,607	(87,992)
Notes receivable	1,351	9,907
Accounts receivable	47,959	113,023
Other receivables	(8,192)	3,355
Inventories	26,205	111,322
Prepayments	(7,806)	6,742
Other financial asset	(18)	(2,027)
Increase (decrease) in :		
Contract liability	(1,368)	(8,458)
Accounts payable	(6,996)	(55,213)
Other payables	(445)	(28,406)
Other current liabilities	(135)	(133)
Net defined benefit liabilities	<u>(1,408)</u>	<u>(1,415)</u>
Cash provided by operations	188,145	147,891
Interest received	2,405	2,793
Interest paid	(594)	(3,597)
Dividend paid	(45,236)	(117,613)
Income tax paid	<u>(133)</u>	<u>209</u>
Net cash provided by operating activities	<u>144,587</u>	<u>29,683</u>

( Continued )

	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(45,016)
Acquisition of Financial assets at amortized cost	(44,967)	-
Proceeds from Financial assets at amortized cost	-	76,681
Acquisition of Financial instruments at fair value through profit or loss	(4,500)	(19,500)
Acquisition of investments accounted for under the equity method	-	(14,760)
Acquisition of property, plant and equipment	(30,037)	(34,932)
Proceeds from disposal of property, plant and equipment	98	115
Acquisition of intangible assets	-	(4)
Decrease in other noncurrent assets	126,394	69,007
Dividend received	62	-
Net cash provided by investing activities	<u>47,050</u>	<u>31,591</u>
Cash flows from financing activities		
Increase in short-term loans	-	35,135
Decrease in long-term loans	-	(96,660)
Increase in guarantee deposits received	756	-
Decrease in guarantee deposits received	-	(72,919)
Increase in non-controlling interests	5,101	8,365
Net cash provided by (used in) financing activities	<u>5,857</u>	<u>(126,079)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>6,304</u>	<u>8,971</u>
Net Increase (decrease) in cash and cash equivalents	203,798	(55,834)
Cash and cash equivalents at beginning of period	<u>251,301</u>	<u>275,310</u>
Cash and cash equivalents at end of period	<u>\$ 455,099</u>	<u>\$ 219,476</u>

(Concluded)

The accompanying notes are integral part of consolidated financial statements.

**English Translation of Financial Statements Originally Issued in Chinese**

**Princeton Technology Corp. and Subsidiaries**

**Notes to Consolidated Financial Statements**

**For the nine months ended September 30, 2024 & 2023**

**(Expressed in Thousand New Taiwan Dollars, unless otherwise specified)**

**1. Company establishment**

Princeton Technology Corp. (PTC) was established in May 1986. It specializes in the development, design, testing and sales of high quality, high value-added consumer integrated circuits (ICs). PTC's common shares were publicly listed on the Gre Tai Securities Market (GTSM) in December, 2001.

**2. Date and procedures of authorization of financial statements for issue**

The financial statements were reported to the Board of Directors and issued on November 8, 2024.

**3. Newly issued or revised standards and interpretations**

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

New standards, interpretations and amendments as endorsed by FSC effective from 2024 are as follows:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"	January 1, 2024(Note)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024(Note)
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024(Note)
Amendments to IAS 7 and IFRS 7 "Supplier finance arrangements"	January 1, 2024(Note)

Note: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2024.

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Company accounting policies.

b. Effect of new issuances or amendments to IFRSs as endorsed by the FSC but not yet adopted:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 21 "Lack of Exchangeability"	January 1, 2025

As of the date the accompanying consolidated financial statements were issued, the Company continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the other standards or interpretations. The related impact will be disclosed when the Company completes the evaluation.

c. The IFRSs issued by IASB but not yet endorsed and issued into effect by FSC:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements—Volume 11	January 1, 2026

As of the date the accompanying consolidated financial statements were issued, the Company continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the other standards or interpretations. The related impact will be disclosed when the Company completes the evaluation.

#### **4. Summary of significant accounting policies**

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### **Statement of Compliance**

The accompany consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs endorsed and issued into effect the FSC.

##### **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.

##### **Basis of Consolidation**

###### **a. The basis for the consolidated financial statements**

The consolidated financial statements incorporate the financial statements of PTC and entities controlled by PTC (its subsidiaries). Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and 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 the Company.

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

Changes in the Company’s ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company’s interests 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 owners of the Company.

When the Company loses control of a subsidiary, the Company should recognize any resulting differences between (1) the fair value of the consideration received, from the

transaction, event or circumstances that resulted in the loss of control; and any investment retained in the former subsidiary at its fair value at the date when control is lost, and (2) the assets (including any goodwill), liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost.

If the Company loses control of a subsidiary, the Company shall account for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost shall be regarded as the cost on initial recognition of an investment in an associate.

**b. The subsidiaries in the consolidated financial statements**

The detail information of the subsidiaries at the end of reporting period was as follows:

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership		
			September 30, 2024	December 31, 2023	September 30, 2023
Pinceton Technology Cop.	PRINCETON SILICON LIMITED (PRINCETON SILICON)	Holding company	100.00%	100.00%	100.00%
Pinceton Technology Cop.	Princeton Capital Corp. (Princeton Capital)	Investment holding	100.00%	100.00%	100.00%
PRINCETONSILICON	Princeton Technology (Shenzhen) Ltd. (Princeton Technology (Shenzhen))	IC sales, design & marketing and software research; the research and development of separators for lithium-ion batteries; communications equipment technical consulting and after-sale service	100.00%	100.00%	100.00%
PRINCETONSILICON	Princeton Technology (Chengdu) Corp. (Princeton Technology (Chengdu))	IC design and software research, technology transfer, technical consulting, after-sales service; modular design of electronic systems, development and sale; IC sale, import and export, communications equipment research, sales, import and export, technical consulting, after-sale service; lithium-ion batteries research, sales, import and export; own house rental	100.00%	100.00%	100.00%
Pinceton Technology (Shenzhen)	Chengdu Chip-Rail Microelectronics Co., Ltd. (Chengdu Chip-Rail)	Computer systems development, IC design, computer hardware and software design and technical services	51.00%	51.00%	51.00%

**c. Unconsolidated subsidiaries: None.**

**d. Non-wholly owned subsidiaries that have noncontrolling material interests:**

The information on non-controlling interest and respective subsidiaries are as follows:

Name of subsidiary	Principal place of business	Percentage of Ownership of Non-controlling Interest		
		September 30, 2024	December 31, 2023	September 30, 2023
Chengdu Chip-Rail	China	49.00%	49.00%	49.00%

Name of subsidiary	Profit or Loss Distribute to Non-controlling Interest			
	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Chengdu Chip-Rail	\$ (1,269)	\$ (1,032)	\$ 5,031	\$ (3,574)

Name of subsidiary	Non-controlling Interest		
	September 30, 2024	December 31, 2023	September 30, 2023
Chengdu Chip-Rail	\$ 177,792	\$ 167,660	\$ 172,057

The summary financial information (including the intra-company transactions) of subsidiaries are as follows :

### Balance sheets

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 397,197	\$ 388,554	\$ 391,292
Non-current assets	8,543	8,895	9,204
Current liabilities	(42,898)	(55,287)	(49,359)
Non-current liabilities	—	—	—
Equity	<u>\$ 362,842</u>	<u>\$ 342,162</u>	<u>\$ 351,137</u>
Equity attributable to :			
Stockholders of the parent	\$ 185,050	\$ 174,502	\$ 179,080
Non-controlling interests	<u>177,792</u>	<u>167,660</u>	<u>172,057</u>
	<u>\$ 362,842</u>	<u>\$ 342,162</u>	<u>\$ 351,137</u>

### Statements of comprehensive incomes

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Net sales	<u>\$ 99,340</u>	<u>\$ 80,650</u>	<u>\$ 279,257</u>	<u>\$ 222,712</u>
Net (loss) profit for the period	\$ (2,589)	\$ (2,107)	\$ 10,268	\$ (7,294)
Other comprehensive income	<u>(9,229)</u>	<u>12,377</u>	<u>10,411</u>	<u>17,073</u>
Total comprehensive income	<u>\$ (11,818)</u>	<u>\$ 10,270</u>	<u>\$ 20,679</u>	<u>\$ 9,779</u>
Net (loss) profit attributable to :				
Stockholders of the parent	\$ (1,320)	\$ (1,075)	\$ 5,237	\$ (3,720)
Non-controlling interests	<u>(1,269)</u>	<u>(1,032)</u>	<u>5,031</u>	<u>(3,574)</u>
	<u>\$ (2,589)</u>	<u>\$ (2,107)</u>	<u>\$ 10,268</u>	<u>\$ (7,294)</u>
Comprehensive income attributable to:				
Stockholders of the parent	\$ (6,027)	\$ 5,237	\$ 10,547	\$ 4,988
Non-controlling interests	<u>(5,791)</u>	<u>5,033</u>	<u>10,132</u>	<u>4,791</u>
	<u>\$ (11,818)</u>	<u>\$ 10,270</u>	<u>\$ 20,679</u>	<u>\$ 9,779</u>
Dividends paid to non-controlling interests	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

### Statements of cash flows

	2024.01.01~2024.09.30	2023.01.01~2023.09.30
Net cash provided by (used in) operating activities	\$ 68,882	\$ (72,745)
Net cash (used in) provided by investing activities	(666)	30,359
Net cash used in financing activities	—	(87)
Net increase (decrease) in cash and cash equivalents	<u>\$ 68,216</u>	<u>\$ (42,473)</u>

e. Adjustments for subsidiaries with different balance sheet dates: None.

f. Issuance of securities held by a subsidiary of the parent content: None.

g. Significant restrictions: None.

### **Classification of Current and Noncurrent Assets and Liabilities**

Current assets are assets held for trading purposes and assets expected to be converted to cash

or cash equivalent, sold or consumed within 12 months from the end of the reporting period, unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the end of the reporting period.

Current liabilities are obligations incurred for trading purposes, obligations expected to be settled within 12 months from the end of the reporting periods and obligations for which the Company does not the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

### **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.

### **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized consistently with the accounting for the transaction itself which gives rise to the tax consequence, and this is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

## **5. Critical accounting judgments and key sources of estimation and uncertainty**

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2023.

## **6. Cash and cash equivalents**

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 468	\$ 442	\$ 572
Checking and savings accounts	398,467	225,996	173,671
Time deposits	56,164	24,863	45,233
	<u>\$ 455,099</u>	<u>\$ 251,301</u>	<u>\$ 219,476</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, the pledged certificates of bank deposits have been reclassified to other financial assets. Refer to Note 32.

## **7. Financial assets at FVTPL**

a. The details of financial assets at FVTPL, current are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
<b><u>Financial assets at FVTPL - current</u></b>			
Mandatorily classified financial assets as at FVTPL			
Wealth management products	\$ 57,162	\$ 255,945	\$ 234,904
Mutual funds	52,584	50,857	50,295
Listed stocks	830	32,432	29,894
	<u>\$ 110,576</u>	<u>\$ 339,234</u>	<u>\$ 315,093</u>

### **Financial assets at FVTPL – non-current**

Mandatorily classified financial assets as at FVTPL

Limited partnership	\$ 45,384	\$ 42,291	\$ 43,587
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b. The above financial assets at FVTPL, current were all not pledged.

## 8. Financial assets at FVTOCI

a. The details of financial assets at FVTOCI are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
<b><u>Financial assets at FVTOCI – non- current</u></b>			
Investment in equity instruments			
Foreign unlisted equity investment	\$ 44,872	\$ 44,756	\$ 45,752
Non-publicly traded stocks	3,885	4,350	4,410
Listed stocks through private placement	418	2,175	2,523
	<u>\$ 49,175</u>	<u>\$ 51,281</u>	<u>\$ 52,685</u>

b. 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 Company's strategy of holding these investments for long-term purposes.

c. The above financial assets at FVTOCI were all not pledged.

## 9. Financial assets at amortized cost, current

a. The details of Financial assets at amortized cost, current are as follows:

	September 30, 2023
Time deposits with original maturity of more than 3 months	\$ 44,967
Interest rate	1.75%

b. The above financial assets at amortized cost, current were all not pledged.

## 10. Notes and accounts receivable, net and other receivable

	September 30, 2024	December 31, 2023	September 30, 2023
<b><u>Notes receivable</u></b>			
Notes receivable-operating activities	\$ 1,387	\$ 2,738	\$ 3,262
Notes receivable-non operating activities	—	—	—
Less: allowance for doubtful accounts	—	—	—
	<u>\$ 1,387</u>	<u>\$ 2,738</u>	<u>\$ 3,262</u>
<b><u>Accounts receivable</u></b>			
Accounts receivable	\$ 272,256	\$ 319,866	\$ 280,276
Less: allowance for doubtful accounts	(10,087)	(9,738)	(9,926)
	<u>\$ 262,169</u>	<u>\$ 310,128</u>	<u>\$ 270,350</u>
<b><u>Other receivables</u></b>			
Tax refund receivable	\$ 14,300	\$ 6,096	\$ 7,091
Less: allowance for doubtful accounts	—	—	—
	<u>\$ 14,300</u>	<u>\$ 6,096</u>	<u>\$ 7,091</u>

a. The Company applies the simplified approach to provisions for expected credit losses prescribed by IFRS 9, which permits the use of a lifetime expected credit losses provision for all trade receivables. The expected credit losses on receivables are estimated using a provision matrix by reference to past default experience of the customers and an analysis of the customers' current financial positions, as well as the forward-looking indicators such as

macroeconomic business indicator. The Company estimates expected credit losses based on the number of days for which receivables are past due. As the Company's historical credit losses experience does not show significantly different loss patterns for different customer segments, the provision for losses based on past due status is not further distinguished according to the Company's different customer base.

b. The following table details the loss allowance of accounts receivable and other receivables.

	September 30, 2024					Total
	Not Past Due	1 to 60 Days	61 to 90 Days	91 to 180 Days	Over 180 Days	
Gross carrying amount	\$ 276,469	\$ —	\$ —	\$ —	\$ 10,087	\$ 286,556
Estimates expected credit loss rate	0%	0%	0%	0%	100%	
Loss allowance (Lifetime ECL)	—	—	—	—	(10,087)	(10,087)
Amortized cost	\$ 276,469	\$ —	\$ —	\$ —	\$ —	\$ 276,469
	December 31, 2023					Total
	Not Past Due	1 to 60 Days	61 to 90 Days	91 to 180 Days	Over 180 Days	
Gross carrying amount	\$ 316,224	\$ —	\$ —	\$ —	\$ 9,738	\$ 325,962
Estimates expected credit loss rate	0%	0%	0%	0%	100%	
Loss allowance (Lifetime ECL)	—	—	—	—	(9,738)	(9,738)
Amortized cost	\$ 316,224	\$ —	\$ —	\$ —	\$ —	\$ 316,224
	September 30, 2023					Total
	Not Past Due	1 to 60 Days	61 to 90 Days	91 to 180 Days	Over 180 Days	
Gross carrying amount	\$ 277,441	\$ —	\$ —	\$ —	\$ 9,926	\$ 287,367
Estimates expected credit loss rate	0%	0%	0%	0%	100%	
Loss allowance (Lifetime ECL)	—	—	—	—	(9,926)	(9,926)
Amortized cost	\$ 277,441	\$ —	\$ —	\$ —	\$ —	\$ 277,441

The movements of the allowance for doubtful accounts and other receivables

	2024.01.01~2024.09.30	2023.01.01~2023.09.30
Balance, beginning of period	\$ 9,738	\$ 9,912
Effect of exchange rate changes	349	14
Balance, end of period	\$ 10,087	\$ 9,926

c. The above notes and accounts receivable, net and other receivables were all not pledged.

## 11. Inventories, net

	September 30, 2024	December 31, 2023	September 30, 2023
Merchandises	\$ 10,734	\$ 13,111	\$ 13,049
Finished goods	125,943	107,299	141,025
Work in progress	237,677	268,037	312,133
Raw materials	126,467	138,579	142,112
	\$ 500,821	\$ 527,026	\$ 608,319

a. The cost of goods sold of the Company consisted of the following:

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Selling cost of inventories	\$ 189,396	\$ 237,872	\$ 586,777	\$ 814,122
Loss on decline in value of inventory	11,941	1,433	23,635	14,173
Others	(129)	(47)	(131)	(88)
	\$ 201,208	\$ 239,258	\$ 610,281	\$ 828,207

b.The above inventories, net were all not pledged.

## 12. Investments accounted for under the equity method

	September 30, 2024	December 31, 2023	September 30, 2023
Investments in associates	\$ 52,370	\$ 61,972	\$ 63,591

Associates consisted of the following:

	September 30, 2024		December 31, 2023		September 30, 2023	
	Carrying value	%	Carrying value	%	Carrying value	%
<u>Common stock</u>						
Foresight Energy Technology Co., Ltd.	\$ 51,411	8.80%	\$ 59,073	8.80%	\$ 60,436	8.80%
Morelink Technology Corporation	959	7.87%	2,899	7.87%	3,155	7.87%
Microlink Communications Inc.	—	25.00%	—	25.00%	—	25.00%
	<u>\$ 52,370</u>		<u>\$ 61,972</u>		<u>\$ 63,591</u>	

a. As of September 30, 2024, the Company's equity in Foresight Energy Technology Co., Ltd. and Morelink Technology Corporation are 8.80% and 7.87%. The Company held less than 20% of Foresight Energy Technology Co., Ltd. and Morelink Technology Corporation's stock with voting rights, but has significant influence over this investee and accounted for the investment by equity method.

b. As of December 31, 2012, the stockholders' equity of Microlink Communications Inc. had become negative, and the Company didn't intend to continue its support for the investee company. The Company recognized investment loss that make the carrying amount of long-term investment equal to zero.

Unrecognized investment loss of Microlink Communications Inc. was summarized as follows:

	2024.01.01~2024.09.30	2023.01.01~2023.09.30
Unrecognized investment loss:		
Current year amount	\$ 1,688	\$ 483
Accumulatd amount	\$ 27,816	\$ 26,427

c. Financial information of the Company's associates was summarized as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Total assets	\$ 824,913	\$ 935,090	\$ 961,646
Total liabilities	\$ 341,517	\$ 331,651	\$ 342,450
	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30
Net revenue	\$ 37,779	\$ 63,523	\$ 98,880
Net loss	\$ (58,974)	\$ (23,650)	\$ (118,630)
The Company's share of other comprehensive gain of associates	\$ (534)	\$ —	\$ 108
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

d. The investment loss for the nine months ended September 30, 2024 and 2023 were based on the investees' financial statements reviewed by the auditors for the same periods.

e. All the investments accounted for under equity method were not pledged.

### 13. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Furnitures	Other equipment	Subtotal
Cost :							
January 1, 2024	\$ 133,228	\$ 377,184	\$ 1,580	\$ 10,712	\$ 13,867	\$ 78,938	\$ 615,509
Acquisitions	—	24,496	—	566	678	27,108	52,848
Disposals	—	—	(600)	(4,483)	(274)	(16,346)	(21,703)
Exchange effect	—	7,945	—	302	380	1,685	10,312
September 30, 2024	<u>\$ 133,228</u>	<u>\$ 409,625</u>	<u>\$ 980</u>	<u>\$ 7,097</u>	<u>\$ 14,651</u>	<u>\$ 91,385</u>	<u>\$ 656,966</u>
January 1, 2023	\$ 133,228	\$ 366,139	\$ 1,891	\$ 11,828	\$ 13,070	\$ 97,942	\$ 624,098
Acquisitions	—	11,087	—	—	1,393	27,245	39,725
Disposals	—	—	(311)	(1,019)	(276)	(16,630)	(18,236)
Exchange effect	—	13,116	—	91	331	3,375	16,913
September 30, 2023	<u>\$ 133,228</u>	<u>\$ 390,342</u>	<u>\$ 1,580</u>	<u>\$ 10,900</u>	<u>\$ 14,518</u>	<u>\$ 111,932</u>	<u>\$ 662,500</u>
Accumulated depreciation :							
January 1, 2024	\$ 6,201	\$ 115,662	\$ 1,389	\$ 9,540	\$ 9,450	\$ 50,098	\$ 192,340
Depreciation	—	9,692	129	767	1,042	23,330	34,960
Disposals	—	—	(600)	(4,483)	(263)	(16,357)	(21,703)
Exchange effect	—	1,685	—	262	313	1,177	3,437
September 30, 2024	<u>\$ 6,201</u>	<u>\$ 127,039</u>	<u>\$ 918</u>	<u>\$ 6,086</u>	<u>\$ 10,542</u>	<u>\$ 58,248</u>	<u>\$ 209,034</u>
January 1, 2023	\$ 6,201	\$ 104,241	\$ 1,371	\$ 9,515	\$ 8,465	\$ 64,793	\$ 194,586
Depreciation	—	8,643	261	888	1,285	25,281	36,358
Disposals	—	—	(311)	(1,019)	(276)	(16,630)	(18,236)
Exchange effect	—	2,773	—	22	257	2,799	5,851
September 30, 2023	<u>\$ 6,201</u>	<u>\$ 115,657</u>	<u>\$ 1,321</u>	<u>\$ 9,406</u>	<u>\$ 9,731</u>	<u>\$ 76,243</u>	<u>\$ 218,559</u>

a. Depreciation is computed by the average method over these estimated service live plus one years to reflect estimated salvage value :

Buildings	10~55 years
Machinery and equipment	3 years
Transportation equipment	4~5 years
Furnitures	3~5 years
Other equipment	1~5 years

b. All the property, plant and equipment were pledged. Refer to Notes 18 and 32.

### 14. Lease arrangements

#### a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amounts</u>			
Land	<u>\$ 4,096</u>	<u>\$ 4,046</u>	<u>\$ 4,279</u>

	<u>Land</u>
Cost :	
January 1, 2024	\$ 4,521
Acquisitions	—
Disposals and reclassification	—
Exchange effect	<u>139</u>
September 30, 2024	<u>\$ 4,660</u>
January 1, 2023	\$ 9,159
Acquisitions	—
Disposals and reclassification	(4,874)
Exchange effect	<u>467</u>
September 30, 2023	<u>\$ 4,752</u>
Accumulated depreciation :	
January 1, 2024	\$ 475
Depreciation	76
Disposals	—
Exchange effect	<u>13</u>
September 30, 2024	<u>\$ 564</u>
January 1, 2023	\$ 798
Depreciation	73
Disposals	(442)
Exchange effect	<u>44</u>
September 30, 2023	<u>\$ 473</u>

**b. Material lease-in activities and terms**

The Company leases certain leasehold land for the use of office with lease terms of 47 years. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

**c. Subleases**

The Company subleased part of its right-of-use assets for land in Chengdu, China under operating leases. Right-of-use assets that meet the definition of investment properties are reclassified to investment properties. Refer to Note 15 for further information on investment properties.

**d. Other lease information**

	<u>2024.07.01~ 2024.09.30</u>	<u>2023.07.01~ 2023.09.30</u>	<u>2024.01.01~ 2024.09.30</u>	<u>2023.01.01~ 2023.09.30</u>
Expenses relating to low-value asset leases	<u>\$ 672</u>	<u>\$ 761</u>	<u>\$ 2,066</u>	<u>\$ 2,663</u>
Total cash outflow for leases	<u>\$ (672)</u>	<u>\$ (761)</u>	<u>\$ (2,066)</u>	<u>\$ (2,663)</u>

The Company applies the recognition exemption to leases of equipment and others qualifying as short-term leases and low-value asset leases and does not recognize right-of-use assets and lease liabilities for these leases.

## 15. Investment Property

	Buildings	Right-of-use assets	Subtotal
Cost :			
January 1, 2024	\$ 290,400	\$ 10,709	\$ 301,109
Additional	—	—	—
Disposals and reclassification	—	—	—
Exchange effect	8,953	331	9,284
September 30, 2024	<u>\$ 299,353</u>	<u>\$ 11,040</u>	<u>\$ 310,393</u>
January 1, 2023	\$ 290,448	\$ 6,074	\$ 296,522
Additional	—	—	—
Disposals and reclassification	—	4,874	4,874
Exchange effect	14,778	308	15,086
September 30, 2023	<u>\$ 305,226</u>	<u>\$ 11,256</u>	<u>\$ 316,482</u>
Accumulated depreciation :			
January 1, 2024	\$ 30,563	\$ 1,114	\$ 31,677
Depreciation	4,349	180	4,529
Disposals and reclassification	—	—	—
Exchange effect	885	33	918
September 30, 2024	<u>\$ 35,797</u>	<u>\$ 1,327</u>	<u>\$ 37,124</u>
January 1, 2023	\$ 25,017	\$ 465	\$ 25,482
Depreciation	4,205	174	4,379
Disposals and reclassification	—	442	442
Exchange effect	1,443	30	1,473
September 30, 2023	<u>\$ 30,665</u>	<u>\$ 1,111</u>	<u>\$ 31,776</u>

a. The Company's R&D building construction in Chengdu, China had been completed and transferred the cost of building to PP&E and investment properties according to estimated purpose, respectively. Because the market for comparable properties is inactive and alternative reliable measurements of fair value were not available; therefore, the Company determined that the fair value of the investment property is not reliably measurable.

b. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Rental income from investment property	<u>\$ 3,645</u>	<u>\$ 2,081</u>	<u>\$ 9,302</u>	<u>\$ 9,171</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 1,062</u>	<u>\$ 1,089</u>	<u>\$ 3,184</u>	<u>\$ 3,079</u>
Direct operating expenses arising from the investment property that did not generate rental income during the period	<u>\$ 450</u>	<u>\$ 460</u>	<u>\$ 1,345</u>	<u>\$ 1,300</u>

c. The investment property was depreciated on a straight-line basis over its estimated lives as follows :

Buildings	47 years
Right-of-use assets	47 years

d. All the investment Property were not pledged.

## 16. Intangible Assets

	<u>Goodwill</u>	<u>Patents</u>	<u>Subtotal</u>
Cost :			
January 1, 2024	\$ 3,822	\$ 1,598	\$ 5,420
Additional	—	—	—
Disposals and reclassification	—	—	—
Exchange effect	174	73	247
September 30, 2024	<u>\$ 3,996</u>	<u>\$ 1,671</u>	<u>\$ 5,667</u>
January 1, 2023	\$ 3,896	\$ 1,611	\$ 5,507
Additional	—	4	4
Disposals and reclassification	—	—	—
Exchange effect	7	3	10
September 30, 2023	<u>\$ 3,903</u>	<u>\$ 1,618</u>	<u>\$ 5,521</u>
Accumulated amortization and impairment :			
January 1, 2024	\$ —	\$ 1,481	\$ 1,481
Amortization expenses	—	25	25
Disposals and reclassification	—	—	—
Exchange effect	—	68	38
September 30, 2024	<u>\$ —</u>	<u>\$ 1,574</u>	<u>\$ 1,574</u>
January 1, 2023	\$ —	\$ 1,457	\$ 1,457
Amortization expenses	—	44	44
Disposals and reclassification	—	—	—
Exchange effect	—	3	3
September 30, 2023	<u>\$ —</u>	<u>\$ 1,504</u>	<u>\$ 1,504</u>

a. Intangible assets were amortized on a straight-line basis over their estimated useful lives as follows:

Patents 5~10 years

b. The Company's goodwill has been tested for impairment at the end of the annual reporting period and the recoverable amount is determined based on the value in use. The value in use was the recoverable amount calculated based on the cash flow forecast from financial budgets and adequate discount rates. The Company determine whether the goodwill had suffered an impairment loss based on the procedures mentioned aboved and a cash-generating unit to which goodwill has been allocated should be tested for impairment annually.

## 17. Other noncurrent assets

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Capacity guarantee	\$ 43,141	\$ 169,470	\$ 178,133
Balance prepaid-machinery and equipment	472	23,195	24,379
Rental deposit	387	452	233
Others	1,443	1,443	1,443
	<u>\$ 45,443</u>	<u>\$ 194,560</u>	<u>\$ 204,188</u>

In order to ensure steady capacity, the Company entered into some capacity reservation contracts with suppliers and paid for the purchases over the long-term prepayments in order to ensure fulfillment to the contract. The long-term prepayment will be refunded when terms and conditions set forth in the contract have been satisfied.

## **18.Short-term loans**

	September 30, 2024	December 31, 2023	September 30, 2023
Secured loans			
Bank loans	\$ 35,973	\$ 34,407	\$ 35,135
a.The interest rates of revolving borrowings from banks for the nine months ended September 30, 2024 and 2023 were 3.20% and 3.65%, respectively.			
b.The details of assets pledged as collateral for short-term loans are set in Notes 13 ,15 and 32.			
c.Unused credit line as of September 30, 2024, December 31, 2023 and September 30, 2023, were amounted to NT\$53,960 thousand, NT\$214,620 thousand and NT\$216,615 thousand, respectively.			

## **19.Other payables**

	September 30, 2024	December 31, 2023	September 30, 2023
Salaries and wages payable	\$ 72,892	\$ 63,703	\$ 58,223
Service payable	3,938	3,320	3,491
Interest payable	30	38	36
Employee’s compensation and remuneration			
of directors payable	—	11,407	5,600
Others	15,175	13,932	18,727
	<u>\$ 92,035</u>	<u>\$ 92,400</u>	<u>\$ 86,077</u>

## **20.Retirement benefit plans**

### a. Defined contribution plans

The pension mechanism under the Labor Pension Act (the “Act”) is deemed a defined contribution plan. Pursuant to the Act, PTC and Princeton Capital Corp., have made monthly contributions equal to 6% of each employee’s monthly salary to employees’ pension accounts. Furthermore, Princeton Technology (Shenzhen) Ltd., Princeton Technology (Chengdu) Corp. and Chengdu Chip-Rail Microelectronics Co., Ltd. are required by local regulations to make monthly contributions at certain percentages of the basic salary of their employees. Pursuant to the aforementioned Act and local regulations, the Company recognized expenses of NT\$8,714 thousand and NT\$7,230 thousand, NT\$24,068 thousand and NT\$21,376 thousand in the consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023, respectively. The net pension cost under the Labor Pension Act amounted to NT\$2,130 thousand and NT\$1,765 thousand were not paid as of September 30, 2024 and 2023, respectively.

### b. Defined benefit plans

PTC have defined benefit plans under the Labor Standards Law that provide benefits based on an employee’s length of service and average monthly salary for the six-month period prior to retirement. The aforementioned companies contribute an amount equal to 2% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee’s name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government’s designated authorities; as such, the Company does not have any right to intervene in the investments of the Funds.

The pension costs of the aforementioned defined benefit plans were recognized in profit or loss by the following categories:

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Cost of goods sold	\$ 2	\$ 2	\$ 7	\$ 8
Marketing expenses	6	7	15	18
General and administrative expenses	20	23	60	70
Research and development expenses	29	36	90	110
	<u>\$ 57</u>	<u>\$ 68</u>	<u>\$ 172</u>	<u>\$ 206</u>

The Company expects to make contributions of NT\$2,130 thousand to the defined benefit plans in the next year starting from September 30, 2024.

## 21. Guarantee deposits

	September 30, 2024	December 31, 2023	September 30, 2023
Capacity guarantee	\$ 31,383	\$ 30,447	\$ 31,997
Others	5,323	4,864	5,119
	<u>\$ 36,706</u>	<u>\$ 35,311</u>	<u>\$ 37,116</u>

Capacity guarantee deposit mainly consisted of cash received under deposit agreements with customers to ensure they have access to the Company's specified capacity. Guarantee deposits will be refunded to customers when terms and conditions set forth in the deposit agreements have been satisfied.

## 22. Equity

### a. Capital

	September 30, 2024	December 31, 2023	September 30, 2023
Authorized shares (thousand shares)	250,000	230,000	230,000
Authorized	<u>\$ 2,500,000</u>	<u>\$ 2,300,000</u>	<u>\$ 2,300,000</u>
Issued and paid capital shares (thousand shares)	180,943.7	180,943.7	180,943.7
Issued	<u>\$ 1,809,437</u>	<u>\$ 1,809,437</u>	<u>\$ 1,809,437</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, the authorized capital shares are 250,000 thousand shares, 230,000 thousand shares and 230,000 thousand shares, with par value of \$10 per share entitled the right to vote and to receive dividends.

### b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)</u>			
Premiums	\$ 1,102	\$ 1,102	\$ 1,102
<u>May be used to offset a deficit only</u>			
Recognize changes in subsidiaries' ownership (b)	39	39	39
Share of changes in equities of associates and joint venture	68,190	68,190	68,190
<u>May not be used for any purpose</u>			
Employee stock options	4,592	4,592	4,592
	<u>\$ 73,923</u>	<u>\$ 73,923</u>	<u>\$ 73,923</u>

- (a) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's paid-in capital and once a year).
- (b) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for by using equity method.

c. Retained earnings and dividend policy

According to the retained earnings distribution policy in the Incorporation of the Company, if the Company has earning upon settlement for a fiscal year, after taxes are paid by law and accumulated deficits are set off, ten percent shall be appropriated as legal earning reserves; however, if the amount of the legal earning reserves has attained the amount of paid-in capital of the Company, no further appropriation shall be made. The remainder shall be appropriated or reversed as special earning reserves. If there still has balance, considering together with accumulated undistributed earnings, the Board of Directors shall prepare the proposal for earning distribution, which shall be submitted to the stockholders' meeting for a resolution of distribution of dividends and bonuses to stockholders.

According the amended Article of Incorporation of the Company, the dividend policy of the Company is to deliberately distribute dividends, in the light of present and future development plan, taking into consideration the investment environments, fund demands, and domestic competition status, as well as factors of interests of stockholders; provided. However, the amount of proposed earning distribution of current year may not be less than 50% of accumulated distributable earnings. In distributing dividends and bonuses to stockholders, the distribution may be made by stocks or cash, of which cash dividends may not be less than 50% of total amount of dividends.

The Company no longer has supervisors since June 13, 2008. The required duties of supervisors are being fulfilled by the Audit Committee.

The appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity, such as the accumulated balance of foreign currency translation reserve, unrealized valuation gain/loss from available-for-sale financial assets, gain/loss from changes in fair value of hedging instruments in cash flow hedges, etc. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The Company's appropriation of earnings for 2023 and 2022 were approved in the shareholders' meeting held on June 18, 2024 and June 16, 2023 as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Legal reserve	\$ 6,016	\$ 17,295		
Special reserve	8,698	37,193		
Cash dividend to shareholders	45,236	117,613	\$ 0.25	\$ 0.65
	<u>\$ 59,950</u>	<u>\$ 172,101</u>		

Information about the bonus to employees and remuneration to directors is available on the Market Observation Post System Website of the Taiwan Stock Exchange.

d. Others

- (a) Foreign Currency Translation Reserve

	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Balance, beginning of period	\$ (9,122)	\$ (118)
Foreign currency translation reserve	29,946	30,120
Share of other comprehensive income of subsidiaries and associates	9	—
Income tax effect	(5,989)	(6,024)
Balance, end of period	<u>\$ 14,844</u>	<u>\$ 23,978</u>

The exchange differences arising from the translation of foreign operation's net assets from its functional currency to PTC's presentation currency are recognized directly in other comprehensive income and also accumulated in the foreign currency translation reserve. When those foreign operation's net assets have been disposed of or are determined to be impaired subsequently, the related cumulative gains or losses in other comprehensive income are reclassified to profit or loss.

(b) Changes in Unrealized (loss) gain on financial assets at FVTOCI

	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Balance, beginning of period	\$ (36,769)	\$ (37,075)
Changes in unrealized (loss) gain on financial assets at FVTOCI	(3,503)	(532)
Balance, end of period	<u>\$ (40,272)</u>	<u>\$ (37,607)</u>

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

e. Noncontrolling interests

	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Balance, beginning of period	\$ 167,660	\$ 167,266
Share of noncontrolling interests:		
Net income (loss)	5,031	(3,574)
Other comprehensive income	5,101	8,365
Balance, end of period	<u>\$ 177,792</u>	<u>\$ 172,057</u>

**23. Revenue**

	<u>2024.07.01~ 2024.09.30</u>	<u>2023.07.01~ 2023.09.30</u>	<u>2024.01.01~ 2024.09.30</u>	<u>2023.01.01~ 2023.09.30</u>
Revenue from contracts with customers				
Net revenue from sale of goods	\$ 280,117	\$ 367,370	\$ 858,113	\$ 1,231,564
Net revenue from rendering of services	1,892	688	7,782	6,535
	<u>\$ 282,009</u>	<u>\$ 368,058</u>	<u>\$ 865,895</u>	<u>\$ 1,238,099</u>

Relevant information of revenue from contracts with customers for the nine months ended September 30, 2024 and 2023 is as follows:

a. Disaggregation of revenue

The revenue of the Company could be breakdown by major products and geographical locations, the related information is refer to Note 39. The disaggregation of revenue recognition point is as follows:

	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Revenue recognition point:		
At a point in time	\$ 858,113	\$ 1,231,564
Satisfies the performance obligation over time	7,782	6,535
	<u>\$ 865,895</u>	<u>\$ 1,238,099</u>

b.Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023
Contract liabilities - current			
Sales of goods	\$ 6,310	\$ 7,678	\$ 9,123

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment.

The Company recognized revenue from the beginning balance of contract liability, which amounted to NT\$5,689 thousand and NT\$17,214 thousand for the nine months ended September 30, 2024 and 2023, respectively.

c.Transaction price allocated to unsatisfied performance obligations

As of September 30, 2024 and 2023, no disclosure of the unsatisfied performance obligations is needed as the contract terms with customers about the sales of goods are all shorter than one year.

d.Assets recognized from costs to fulfil a contact: None.

**24.Additional information of expenses by nature**

As of September 30, 2024, December 31, 2023 and September 30, 2023, the Company's employees numbered 356, 323 and 318, respectively. There all were 7 non-employee directors.

The Company's net (loss) income includes the following items:

	2024.07.01~2024.09.30			2023.07.01~2023.09.30		
	As cost of goods sold	As operating expenses	Total	As cost of goods sold	As operating expenses	Total
Employment expenses						
Salaries	\$ 1,431	\$ 88,736	\$ 90,167	\$ 975	\$ 73,091	\$ 74,066
Insurance	181	4,936	5,117	130	4,284	4,414
Pension						
Defined contribution plans	72	8,642	8,714	66	7,164	7,230
Defined benefit plans	2	55	57	2	66	68
Remuneration of directors	—	140	140	—	265	265
Others	110	3,275	3,385	131	3,262	3,393
	<u>\$ 1,796</u>	<u>\$ 105,784</u>	<u>\$ 107,580</u>	<u>\$ 1,304</u>	<u>\$ 88,132</u>	<u>\$ 89,436</u>
Depreciation expenses	<u>\$ 162</u>	<u>\$ 12,763</u>	<u>\$ 12,925</u>	<u>\$ 201</u>	<u>\$ 13,979</u>	<u>\$ 14,180</u>
Amortization expenses	<u>\$ —</u>	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ —</u>	<u>\$ 9</u>	<u>\$ 9</u>
	2024.01.01~2024.09.30			2023.01.01~2023.09.30		
	As cost of goods sold	As operating expenses	Total	As cost of goods sold	As operating expenses	Total
Employment expenses						
Salaries	\$ 4,243	\$ 246,111	\$ 250,354	\$ 3,402	\$ 211,800	\$ 215,202
Insurance	531	13,868	14,399	478	12,512	12,990
Pension						
Defined contribution plans	221	23,847	24,068	204	21,172	21,376
Defined benefit plans	7	165	172	8	198	206
Remuneration of directors	—	520	520	—	988	988
Others	323	9,277	9,600	399	8,862	9,261
	<u>\$ 5,325</u>	<u>\$ 293,788</u>	<u>\$ 299,113</u>	<u>\$ 4,491</u>	<u>\$ 255,532</u>	<u>\$ 260,023</u>
Depreciation expenses	<u>\$ 523</u>	<u>\$ 39,042</u>	<u>\$ 39,565</u>	<u>\$ 629</u>	<u>\$ 40,181</u>	<u>\$ 40,810</u>
Amortization expenses	<u>\$ —</u>	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ —</u>	<u>\$ 44</u>	<u>\$ 44</u>

In accordance with to the R.O.C. Company Act and the articles of incorporation of the Company, the Company shall allocate 5%~20% of profit as employees' profit sharing bonus and no more 1.5% of profit as directors' compensation for each profitable fiscal year. However, the Company's accumulated losses shall be reserved. The employees' profit sharing bonus under the preceding paragraph will be entitled to receive shares or cash. The

employees of the PTC's subsidiaries who fulfill specific requirements finalized by the Board of Directors may be granted such bonus. The appropriations of profit sharing bonus to employees and compensation to directors shall be submitted to the stockholders' meeting.

The Company loss of profit for the nine months ended September 30, 2024, therefore the Company didn't accrue any compensation expenses. The company's profit sharing bonus to employees and compensation to directors for the nine months ended September 30, 2023 was accrued at NT\$5,600 thousand.

The differences of the amounts between the resolved and accrual amounts of the profit sharing bonus to employees and the compensation to directors resulted from changing the base of the estimate and had been adjusted in profit and loss for the next year.

Information about the profit sharing bonus to employees and compensation to directors is available on the Market Observation Post System Website of the Taiwan Stock Exchange.

## **25. Other income**

	<u>2024.07.01~ 2024.09.30</u>	<u>2023.07.01~ 2023.09.30</u>	<u>2024.01.01~ 2024.09.30</u>	<u>2023.01.01~ 2023.09.30</u>
Interest income				
Bank deposits	\$ 295	\$ 275	\$ 2,417	\$ 2,048
Others	—	—	—	1
	<u>\$ 295</u>	<u>\$ 275</u>	<u>\$ 2,417</u>	<u>\$ 2,049</u>

## **26. Other gains and losses**

	<u>2024.07.01~ 2024.09.30</u>	<u>2023.07.01~ 2023.09.30</u>	<u>2024.01.01~ 2024.09.30</u>	<u>2023.01.01~ 2023.09.30</u>
Other gains:				
Net gain on financial instruments at FVTPL	\$ 62	\$ —	\$ 6,895	\$ 15,305
Cash dividend	—	—	62	—
Rent Income	3,645	2,081	9,302	9,171
Gain on disposal of property, plant and equipment, net	1	1	98	115
Net exchange gain	4,982	9,834	15,678	15,398
Others	8,810	11,829	28,318	26,178
	<u>17,500</u>	<u>23,745</u>	<u>60,353</u>	<u>66,167</u>
Other losses:				
Net loss on financial instruments at FVTPL	—	(1,429)	—	—
Others	(1)	(75)	(1)	(589)
	<u>(1)</u>	<u>(1,504)</u>	<u>(1)</u>	<u>(589)</u>
	<u>\$ 17,499</u>	<u>\$ 22,241</u>	<u>\$ 60,352</u>	<u>\$ 65,578</u>

## **27. Finance costs**

	<u>2024.07.01~ 2024.09.30</u>	<u>2023.07.01~ 2023.09.30</u>	<u>2024.01.01~ 2024.09.30</u>	<u>2023.01.01~ 2023.09.30</u>
Interest Expense				
Bank deposits	\$ 167	\$ 363	\$ 586	\$ 1,833

## **28. Income tax**

a. Income tax (benefit) expense consisted of the following

(a) Income tax (benefit) expense recognized in profit or loss:

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Current income tax expense				
Current tax expense recognized for the current period	\$ —	\$ 1	\$ 500	\$ (175)
Deferred income tax expense				
Temporary differences	(876)	420	(1,351)	1,746
Income tax (benefit) expense recorded in profit or loss	<u>\$ (876)</u>	<u>\$ 421</u>	<u>\$ (851)</u>	<u>\$ 1,571</u>

(b) Income tax expense recognized in other comprehensive income:

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Deferred income tax expense				
Foreign currency translation reserve	<u>\$ (2,817)</u>	<u>\$ 6,267</u>	<u>\$ 5,989</u>	<u>\$ 6,024</u>

b. The differences between the expected income tax based on the pre-tax income at the statutory income tax rate and the actual income tax (benefit) expense reported in the accompanying statements of (loss) income are summarized as follows:

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Expected income tax benefit calculated using the statutory tax date	\$ (16,442)	\$ (3,238)	\$ (29,222)	\$ (3,760)
Additional income tax under the Alternative Minimum Tax Act	—	—	489	—
Additional income tax on the unappropriated earnings	—	—	11	42
Permanent differences	166	533	(733)	(2,373)
Tax adjustments of previous year	—	1	—	(217)
Tax loss carry forward	12,208	1,519	21,601	(253)
Loss recognized by equity method	1,058	2,301	3,330	6,906
Loss on decline in value of inventory	2,134	(695)	3,673	1,226
Income tax (benefit) expense recorded in profit or loss	<u>\$ (876)</u>	<u>\$ 421</u>	<u>\$ (851)</u>	<u>\$ 1,571</u>

Princeton Technology (Shenzhen) Ltd. and Princeton Technology (Chengdu) Corp. amended income tax rate of 25% in accordance with the law of the “People's Republic of China on Enterprise Income Tax” and related laws.

Princeton Technology (Chengdu) Corp. and Chengdu Chip-Rail Microelectronics Co., Ltd. meet the regulations has the local taxation bureau filed and approved the application of high-tech enterprises within three years from 2023 and 2022 had been approved to apply preferential tax rate is 15%.

c. Current tax assets and liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Current tax assets			
Income tax receivable	<u>\$ 164</u>	<u>\$ 530</u>	<u>\$ 414</u>

d. The analysis of deferred income tax in the consolidated balance sheets was as follows:

For the nine months ended September 30, 2024	Balance, Beginning of Period	Recognized in			Exchange effect	Balance, End of Period
		Profit or Loss	Other Comprehensive Income			
Deferred income tax assets						
Loss on decline value of inventory	\$ 11,592	\$ —	\$ —	\$ 207	\$ 11,799	
Unrealized intercompany profits	500	265	—	—	765	
Unrealized foreign exchange loss		261			261	
Others	1,390	(62)	—	48	1,376	
	<u>\$ 13,482</u>	<u>\$ 464</u>	<u>\$ —</u>	<u>\$ 255</u>	<u>\$ 14,201</u>	
Deferred income tax liabilities						
Unrealized foreign exchange gain	\$ 887	\$ (887)	\$ —	\$ —	\$ —	
Foreign currency translation reserve	2,095	—	5,989	—	8,084	
Actuarial gains and losses on defined benefit plan	1,620	—	—	—	1,620	
	<u>\$ 4,602</u>	<u>\$ (887)</u>	<u>\$ 5,989</u>	<u>\$ —</u>	<u>\$ 9,704</u>	
For the nine months ended September 30, 2023	Balance, Beginning of Period	Recognized in			Exchange effect	Balance, End of Period
		Profit or Loss	Other Comprehensive Income			
Deferred income tax assets						
Loss on decline value of inventory	\$ 11,388	\$ (35)	\$ —	\$ 151	\$ 11,504	
Unrealized intercompany profits	52	723	—	—	775	
Others	1,211	23	—	24	1,258	
	<u>\$ 12,651</u>	<u>\$ 711</u>	<u>\$ —</u>	<u>\$ 175</u>	<u>\$ 13,537</u>	
Deferred income tax liabilities						
Unrealized foreign exchange gain	\$ 2,055	\$ 2,457	\$ —	\$ —	\$ 4,512	
Foreign currency translation reserve	4,335	—	6,024	—	10,359	
Actuarial gains and losses on defined benefit plan	1,336	—	—	—	1,336	
	<u>\$ 7,726</u>	<u>\$ 2,457</u>	<u>\$ 6,024</u>	<u>\$ —</u>	<u>\$ 16,207</u>	

e. Investment tax credits, tax loss carry forward and five-year exemption from tax on income from sales:

There were no unused investment tax credits available as of September 30, 2024.

Tax loss carry forward were as follows:

	Unused tax loss carry forward	Expiration date
PTC	\$ 149,027	December 31, 2034
Princeton Capital Corp.	45,289	December 31, 2032
Princeton Technology(Shenzhen) Corp.	4,169	December 31, 2033
Princeton Technology(Chengdu) Corp.	160,628	December 31, 2034
Chengdu Chip-Rail	86,787	December 31, 2033
	<u>\$ 445,900</u>	

f. Income tax examination

The tax authorities have examined income tax returns of PTC and Princeton Capital Corp. through 2021 and 2022.

## 29. Earning per shares

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
<u>Earning per shares</u>				
Basic EPS	\$ (0.41)	\$ —	\$ (0.84)	\$ 0.30
Diluted EPS	\$ (0.41)	\$ —	\$ (0.84)	\$ 0.29
<u>Net income</u>				
Net (loss) income used to compute the basic and diluted EPS	\$ (74,074)	\$ 564	\$ (151,105)	\$ 53,378
	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
<u>The number of common stocks(in thousands)</u>				
Weighted average number of common shares outstanding used in the computation of basic EPS	180,944	180,944	180,944	180,944
Effect of dilutive potential common shares:				
Compensation of employees	—	12	—	168
Weighted average number of common shares used in the computation of basic EPS	180,944	180,956	180,944	181,112

## 30. Cash flow information

### a. Non-cash transactions:

	<u>For the nine months ended</u>	
	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Additions of property, plant and equipment	\$ 52,848	\$ 39,725
Changes in prepaid to contractors and equipment suppliers	(22,723)	(4,478)
Changes in payables to contractors and equipment suppliers	(88)	(315)
Payments for acquisition of property, plant and equipment	\$ 30,037	\$ 34,932

### b. Reconciliation of liabilities arising from financing activities:

For the nine months ended September 30, 2024	Balance, <u>Beginning of Period</u>	Financing Cash <u>Flow</u>	<u>Non-cash changes</u>		Balance, End of Period
			<u>Other Changes</u>		
Short-term loans	\$ 34,407	\$ —	\$ 1,566		\$ 35,923
Guarantee deposits	35,311	756	639		36,706
	<u>\$ 69,718</u>	<u>\$ 756</u>	<u>\$ 2,205</u>		<u>\$ 72,679</u>
For the nine months ended September 30, 2023	Balance, <u>Beginning of Period</u>	Financing Cash <u>Flow</u>	<u>Non-cash changes</u>		Balance, End of Period
Short-term loans	\$ —	\$ 35,135	\$ —		\$ 35,135
Long-term loans	91,980	(96,660)	4,680		—
Guarantee deposits	110,035	(72,919)	—		37,116
	<u>\$ 202,015</u>	<u>\$ (134,444)</u>	<u>\$ 4,680</u>		<u>\$ 72,251</u>

### 31. Related-party transactions

Intercompany balances and transactions between PTC and its subsidiaries, which are related parties of PTC, have been eliminated upon consolidation; therefore those items are not disclosed in this note. The following is a summary of transactions between the Company and other related parties:

#### a. Related party name and nature of relationship

<u>Related Parties</u>	<u>Relationship</u>
Morelink Technology Corporation	Associates
Foresight Energy Technology Co., Ltd.	Associates
All directors, supervisors, general manager and deputy general manager	Main manager echelon of the Company

#### b. Sales

	<u>2024.07.01~ 2024.09.30</u>	<u>2023.07.01~ 2023.09.30</u>	<u>2024.01.01~ 2024.09.30</u>	<u>2023.01.01~ 2023.09.30</u>
Associates	\$ —	\$ —	\$ —	\$ 53

The sales to the above related parties were dealt with in the ordinary course of business with the sales price made in the way similar to the sales to third-party customers. The collection period for the third-party customers was 60~90 days, while the terms for related parties, associates was 60 days.

#### c. Others

	<u>Account</u>	<u>2023.07.01~ 2023.09.30</u>	<u>2022.07.01~ 2022.09.30</u>	<u>2023.01.01~ 2023.09.30</u>	<u>2022.01.01~ 2022.09.30</u>
Associates	Other revenue	\$ 286	\$ 186	\$ 857	\$ 557

#### d. Receivables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other receivables			
Associates	\$ 100	\$ 65	\$ 65

#### e. Others

The situation of the cash capital increase and investment increase of the involved parties of the Company is as follows :

	<u>For the nine months ended</u>			
	<u>September 30, 2023</u>			
	<u>Increase investment</u>		<u>%</u>	
	<u>Shares</u>	<u>Carrying value</u>	<u>Before</u>	<u>After</u>
Foresight Energy Technology Co., Ltd.	615	\$ 14,760	15.84%	8.80%

#### f. Compensation of key management personnel

	<u>2024.07.01~ 2024.09.30</u>	<u>2023.07.01~ 2023.09.30</u>	<u>2024.01.01~ 2024.09.30</u>	<u>2023.01.01~ 2023.09.30</u>
Short-term employee benefits	\$ 4,117	\$ 2,019	\$ 9,018	\$ 10,484
Retirement benefits	81	54	215	161
	\$ 4,198	\$ 2,073	\$ 9,233	\$ 10,645

The information about the Company's appropriation of remuneration to all directors, supervisors, general manager and deputy general manager is available on the shareholders' meeting annual report.

### **32.Assets mortgaged or pledged**

As of September 30, 2024, December 31, 2023 and September 30, 2023, the following assets had been pledged or mortgaged as collateral:

	September 30, 2024	December 31, 2023	September 30, 2023
Buildings	\$ 111,315	\$ 109,748	\$ 115,968
Investment Property	252,753	248,896	263,002
Other financial assets-bank deposits	2,049	2,031	4,092
	<u>\$ 366,117</u>	<u>\$ 360,675</u>	<u>\$ 383,062</u>

### **33.Significant contingent liabilities and unrecognized commitments**

- 1.Under certain agreement, the Company shall pay royalties at a percentage of net sales (as defined in the agreement) with respect to certain products.
- 2.As of September 30, 2024, the amounts of endorsements and guarantees (provided to each entity in the Group) was US\$500 thousand.
- 3.In order to ensure steady capacity, the Company entered into some capacity reservation contracts with suppliers and paid for the purchases over the long-term prepayments in order to ensure fulfillment to the contract. The long-term prepayment will be refunded when terms and conditions set forth in the contract have been satisfied.

**34.Significant loss:** None.

**35.Subsequent events:** None.

### **36.Capital management**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize the stockholders' value.

The management reviews the capital structure of the Company quarterly. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. According to the management's suggestion, the Company maintains a balanced capital structure through paying cash dividends, increasing its share capital, purchasing treasury stock, proceeds from new debt or repayment of debt.

### **37.Disclosure of financial instruments**

a.Fair values of financial instruments :

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
FVTPL			
Mandatorily classified financial assets as at FVTPL	\$ 155,960	\$ 381,525	\$ 358,680
FVTOCI			
Equity instruments	49,175	51,281	52,685
Financial assets measured at amortized cost (Note 1)	823,499	742,216	682,637
	<u>\$ 1,028,634</u>	<u>\$ 1,175,022</u>	<u>\$ 1,094,002</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (Note 2)	\$ 270,224	\$ 274,624	\$ 266,648

Note 1:Including cash and cash equivalents, contract assets, notes & accounts receivable-net, other receivables, refundable deposit and other financial assets.

Note 2: Including short-term loans, notes & accounts payable, other payables, long-term loans (including current portion), refundable deposits and other financial liabilities.

b. Fair value of financial instruments

(a) The Fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

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

(b) Fair value of financial instruments carried at amortized cost

The Company considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

(c) Fair value of financial instruments

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value:

	September 30, 2024			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Financial products	\$ —	\$ 57,162	\$ —	\$ 57,162
Mutual funds	52,584	—	—	52,584
Listed stocks	830	—	—	830
Limited partnerships	—	—	45,384	45,384
	<u>\$ 53,414</u>	<u>\$ 57,162</u>	<u>\$ 45,384</u>	<u>\$ 155,960</u>
<u>Financial assets at FVTOCI</u>				
Listed stocks through private placement	\$ —	\$ —	\$ 418	\$ 988
Non-publicly traded stocks	—	—	48,757	50,247
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 49,175</u>	<u>\$ 51,235</u>
	December 31, 2023			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Financial products	\$ —	\$ 255,945	\$ —	\$ 255,945
Mutual funds	50,857	—	—	50,857
Listed stocks	32,432	—	—	32,432
Limited partnerships	—	—	42,291	42,291
	<u>\$ 83,289</u>	<u>\$ 255,945</u>	<u>\$ 42,291</u>	<u>\$ 381,525</u>
<u>Financial assets at FVTOCI</u>				
Listed stocks through private placement	\$ —	\$ —	\$ 2,175	\$ 2,175
Non-publicly traded stocks	—	—	49,106	49,106
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 51,281</u>	<u>\$ 51,281</u>

	September 30, 2023			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Financial products	\$ —	\$ 234,904	\$ —	\$ 234,904
Mutual funds	50,295	—	—	50,295
Listed stocks	29,894	—	—	29,894
Limited partnerships	—	—	43,587	43,587
	<u>\$ 80,189</u>	<u>\$ 234,904</u>	<u>\$ 43,587</u>	<u>\$ 358,680</u>
<u>Financial assets at FVTOCI</u>				
Listed stocks through private placement	\$ —	\$ —	\$ 2,523	\$ 2,523
Unlisted equity investment	—	—	50,162	50,162
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 52,685</u>	<u>\$ 52,685</u>

There were no transfers between Level 1 and 2 for the nine months ended September 30, 2024 and 2023.

(d) Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes publicly traded stocks and money market funds).
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- The fair values of private funds are determined using the asset based approach. The Company assesses that the amount of its net assets attributable to its investment approaches the fair value of the equity investment. The Company assesses the total value of the individual assets and liabilities covered by the target to reflect the overall value of the business.

(e) Reconciliation of Level 3 recurring fair value measurements of financial instruments:

	Financial Assets at FVTPL	Financial Assets at FVTOCI	Subtotal
<u>For the nine months ended September 30, 2024</u>			
Balance, beginning of Period	\$ 42,291	\$ 51,281	\$ 93,572
Additional/ Disposals	4,500	—	4,500
Recognized in profit or loss	(1,407)	—	(1,407)
Recognized in other comprehensive income	—	(3,503)	(3,503)
Exchange effect	—	1,397	1,397
Balance, end of Period	<u>\$ 45,384</u>	<u>\$ 49,175</u>	<u>\$ 94,559</u>
<u>For the nine months ended September 30, 2023</u>			
Balance, beginning of Period	\$ 20,995	\$ 8,201	\$ 29,196
Additional/ Disposals	19,500	45,016	64,516
Recognized in profit or loss	3,092	—	3,092
Recognized in other comprehensive income	—	(532)	(532)
Balance, end of Period	<u>\$ 43,587</u>	<u>\$ 52,685</u>	<u>\$ 96,272</u>

(f) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement:

As of September 30, 2024:

Financial assets :

Financial assets at FVTOCI :

	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Quantitative information</u>	<u>Interrelationship between inputs and fair value</u>	<u>Sensitivity analysis of the inputs to fair value</u>
Stock	Market Approach	Price-Book ratio of similar entities	1.45	The higher the Price-Book ratio of similar entities, the higher the fair value estimated	10% increase (decrease) in the Price-Book ratio of similar entities would result in an increase (decrease) in equity by NT\$42thousand
Stock	Assets Approach	Lack of marketability and Price-Book ratio of similar entities	1.02-44.29	The higher the lack of marketability, the lower the fair value estimated	10% increase (decrease) in the Price-Book ratio of the equity instruments would result in an increase (decrease) in equity by NT\$389thousand

As of December 31, 2023:

Financial assets :

Financial assets at FVTOCI :

	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Quantitative information</u>	<u>Interrelationship between inputs and fair value</u>	<u>Sensitivity analysis of the inputs to fair value</u>
Stock	Market Approach	Price-Book ratio of similar entities	7.55	The higher the Price-Book ratio of similar entities, the higher the fair value estimated	10% increase (decrease) in the Price-Book ratio of similar entities would result in an increase (decrease) in equity by NT\$217thousand
Stock	Assets Approach	Lack of marketability and Price-Book ratio of similar entities	2.69-38.36	The higher the lack of marketability, the lower the fair value estimated	10% increase (decrease) in the Price-Book ratio of the equity instruments would result in an increase (decrease) in equity by NT\$435thousand

As of September 30, 2023:

Financial assets :

Financial assets at FVTOCI :

	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Quantitative information</u>	<u>Interrelationship between inputs and fair value</u>	<u>Sensitivity analysis of the inputs to fair value</u>
Stock	Market Approach	Price-Book ratio of similar entities	8.76	The higher the Price-Book ratio of similar entities, the higher the fair value estimated	10% increase (decrease) in the Price-Book ratio of similar entities would result in an increase (decrease) in equity by NT\$252thousand
Stock, Equity investment	Assets Approach	Lack of marketability and Price-Book ratio of similar entities	1.26-41.24	The higher the lack of marketability, the lower the fair value estimated	10% increase (decrease) in the Price-Book ratio of the equity instruments would result in an increase (decrease) in equity by NT\$5,016thousand

c. Financial risk management objectives

The Company seeks to ensure sufficient cost-efficient funding readily available when needed. The Company manages its exposure to foreign currency risk, interest rate risk, equity price risk, credit risk and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by Audit Committees and/or Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, Corporate Treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

#### d. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise foreign currency risk, interest rate risk and other price risk.

##### (a) Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and the Company's net investments in foreign subsidiaries. Some assets and liabilities of the Company denominated in the same foreign currency and were expected to mostly offset gains or losses of changes in foreign exchange rate. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The carrying amounts of significant foreign currency denominated monetary assets and monetary liabilities are as follows:

	September 30, 2024		December 31, 2023		September 30, 2023	
	Foreign Currency (thousand)	Exchange Rate	Foreign Currency (thousand)	Exchange Rate	Foreign Currency (thousand)	Exchange Rate
<b>(Foreign currencies : functional currency)</b>						
<u>Financial Assets</u>						
<u>Monetary items</u>						
USD : TWD	\$ 8,572	31.60	\$ 15,653	30.655	\$ 12,412	32.22
JPY : TWD	45,747	0.2203	35,661	0.2152	31,824	0.2142
CNY : USD	158,514	0.1423	159,333	0.1403	154,595	0.1363
HKD : TWD	5	4.045	5	3.899	5	4.093
EUR : TWD	2	35.18	2	33.78	2	33.71
<u>Non-monetary items</u>						
CNY : USD	\$ 150,938	0.1515	\$ 151,829	0.1516	\$ 151,580	0.1516
USD : CNY	1,420	31.60	1,460	30.655	1,420	32.22
<u>Investments accounted for under the equity method</u>						
USD : TWD	\$ 28,581	31.60	\$ 28,697	30.655	\$ 28,355	32.22
<u>Financial Liabilities</u>						
<u>Monetary items</u>						
USD : TWD	\$ 4,841	31.70	\$ 4,013	30.755	\$ 4,048	32.32
JPY : TWD	1,159	0.2243	1,232	0.2192	1,208	0.2182
CNY : USD	25,452	0.1423	28,622	0.1403	26,534	0.1363

The Company's sensitivity analysis to foreign currency risk mainly focuses on the foreign currency monetary items at the end of the reporting period. Assuming appreciation / depreciation of 1% in the foreign exchanges against the New Taiwan dollar, the net (loss)

income for the nine months ended September 30, 2024 and 2023 would have decreased /increased by NT\$7,166 thousand and NT\$8,386 thousand, respectively.

(b)Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans at floating interest rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Sensitivity analysis of interest is calculated based on the financial liabilities exposed to cash flow interest rate risk at the end of each reporting period.

If interest rates had been 0.25% higher/lower, the Company's net (loss) income for the nine months ended September 30, 2023 would increase/decrease by \$2 thousand.

(c)Other price risk

The Company were exposed to equity price risk through their investments in Financial assets at FVTPL.

A change of 5% in the price of the listed stocks classified under at fair value through profit or loss could cause the net (loss) income for the nine months ended September 30, 2024 and 2023 to increase/decrease by NT\$2,671 thousand and NT\$4,009 thousand..

The sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3 of the fair value hierarchy. Please refer to Note 37.

e.Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from operating activities, primarily trade receivables, and from financing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures.

(a)Business related credit risk

In order to maintain the credit quality of trade receivables, the Company has established procedures to monitor and limit exposure to credit risk on trade receivables.

Credit evaluation is performed in the consideration of the relevant factors which may affects the customer's paying ability such as financial condition, external and internal credit scoring, historical experience, and economic conditions. The Company holds some of the credit enhancements such as prepayments and collateral to mitigate its credit risks.

As of September 30, 2024, December 31, 2023 and September 30, 2023, the Company's ten largest customers accounted for 72%, 82% and 81% of total trade receivables, respectively.

(b)Financial credit risk

The Company's exposure to financial credit risk which pertained to bank deposits, fixed income investments and other financial instruments were evaluated and monitored by Corporate Treasury function. The Company only deals with creditworthy counterparties and banks so that no significant credit risk was identified.

f.Liquidity risk

The objective of liquidity risk management is to ensure the Company has sufficient liquidity to fund its business requirements of cash and cash equivalents and the unused of financing facilities associated with existing operations.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

September 30, 2024					
	Less Than 1 Year	2-3 Years	4 to 5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Short-term loans	\$ 35,973	\$ —	\$ —	\$ —	\$ 35,973
Accounts payable (including related parties)	105,510	—	—	—	105,510
Other payables	92,035	—	—	—	92,035
	<u>\$ 233,518</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 233,518</u>
December 31, 2023					
	Less Than 1 Year	2-3 Years	4 to 5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Short-term loans	\$ 34,407	\$ —	\$ —	\$ —	\$ 34,407
Accounts payable (including related parties)	112,506	—	—	—	112,506
Other payables	92,400	—	—	—	92,400
	<u>\$ 239,313</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 239,313</u>
September 30, 2023					
	Less Than 1 Year	2-3 Years	4 to 5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Short-term loans	\$ 35,135	\$ —	\$ —	\$ —	\$ 35,135
Accounts payable (including related parties)	108,320	—	—	—	108,320
Other payables	86,077	—	—	—	86,077
	<u>\$ 229,532</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 229,532</u>

### **37.Reclassifications**

Certain 2023 accounts have been reclassified to conform to the 2022 financial statement presentation. As a result, no significant impact on the financial statements.

### **38.Additional disclosures**

Following are the additional disclosures:

- a.Financial provided : Table 1 (attached)
- b.Endorsement/guarantee provided : Table 2 (attached)
- c.Marketable securities held (excluding investments in subsidiaries and jointly controlled entities): Table 3 (attached)
- d.Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital : None
- e.Acquisition of individual real estates at costs of at least NT\$300 million or 20% of the paid-in capital : None
- f.Disposal of individual real estates at costs of at least NT\$300 million or 20% of the paid-in capital : None
- g.Total purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital : None

- h.Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital : Table 4 (attached)
- i.Derivate financial transaction : None
- j.Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and significant transactions between them: Table 5 (attached)
- k.Names, locations and related information of investees on which the Company exercises significant influence : Table 6 (attached)
- l.Investment in Mainland China : Table 7 (attached)
- m.Information of major shareholder : Table 8 (attached)

### **39.Operating segments information**

- a.The Company mainly develops, design, testing and sales of high quality, high value-added consumer integrated circuits (ICs) and operates in the IC design industry only.
- b.Major product and service revenue:

	For the nine months ended	
	September 30, 2024	September 30, 2023
Integrated circuits (ICs) revenue	\$ 858,113	\$ 1,231,564
Design revenue	7,782	6,535
	<u>\$ 865,895</u>	<u>\$ 1,238,099</u>

- c.Operations in different geographic areas :

Area	2024.01.01~2024.09.30		2023.01.01~2023.09.30	
	Revenue	Noncurrent assests	Revenue	Noncurrent assests
Japan	\$ 171,523	\$ —	\$ 714,333	\$ —
Mainland China(including HK)	613,034	526,134	439,018	550,583
Taiwan	42,468	301,069	64,614	454,139
Korea	21,921	—	7,049	—
Other	16,949	—	13,085	—
	<u>\$ 865,895</u>	<u>\$ 827,203</u>	<u>\$ 1,238,099</u>	<u>\$ 1,004,722</u>

- d.Major customers with sales at least 10% of the Company's total sales were as follows:

	2024.01.01~2023.09.30		2023.01.01~2022.09.30	
	Amount	Percentage of net sales	Amount	Percentage of net sales
C16	\$ 96,613	11.16	\$ 444,646	35.91
C22	86,679	10.01	68,621	5.54
C3	2,408	0.28	159,922	12.92
	<u>\$ 185,700</u>	<u>21.45</u>	<u>\$ 673,189</u>	<u>54.37</u>

Table 1

Financial provided

For the nine months ended September 30, 2024

(Amounts in Thousands of New Taiwan Dollars and RMB Dollars, unless otherwise specified)

No	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance (Note 1)	Amount Actually Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Notes 3)	Financing Company's Total Financing Amount Limits (Notes 4)
													Item	Value		
1	Princeton Technology (Shenzhen) Ltd..	Princeton Technology (Chengdu) Corp.	Other receivables from related parties	Yes	RMB30,000	RMB30,000	—	—	Note 2	—	Operating capital	—	—	—	184,798	221,758

Note1 : The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

Note2 : The need for short-term financing.

Note3 : The amount that can be financing limits for each borrowing company is 50% of the guarantor's net assets.

$$(NT\$ 369,596 \times 50\% = NT\$184,798)$$

Note4 : The amount that can be Financing Company's total financing is 60% of the guarantor's net assets.

$$(NT\$ 369,596 \times 60\% = NT\$221,758)$$

Table 2

Endorsement/guarantee provided

For the nine months ended September 30, 2024

(Amounts in Thousands of New Taiwan Dollars and US Dollars, unless otherwise specified)

No	Endorser/ guarantor	Counter-party		Limits on endorsement/ guarantee amount provided to each guaranteed party	Maximum balance for the period	Ending balance	Amount actually drawn	Value of collaterals property, plant, or equipment	Ratio of accumulated amount of collateral to net equity as shown in the latest financial statement	Maximum collateral/ guarantee amounts allowable	The holding company to subsidiary	Subsidiary to holding company	Endorsement/ guarantee t in Mainland China
		Name	Nature of relationship with the endorser/guarant or										
0	Princeton Technology Corp.	Princeton Technology (Chengdu) Corp.	Equity-method investee of Princeton Silicon Inc.	842,339	USD 500 CNY10,000	USD 500	—	—	0.84%	917,214	Y	—	Y

Note1 : The maximum amount that can be guaranteed to individual counter-party is 45% of the guarantor's net assets.

(NT\$ 1,871,865 × 45% = NT\$842,339)

Note2 : The maximum amount that can be guaranteed is 49% of the guarantor's net assets.

(NT\$ 1,871,865 × 49% = NT\$917,214)

Table 3

Marketable securities held

For the nine months ended September 30, 2024

(Shares in thousands ,Amounts in Thousands of New Taiwan Dollars, unless specified)

Investor	Description of Stock		Relationship with the Investor	Financial statement account	September 30, 2024			
					Shares	Carrying value	Percentage of ownership	Fair Value
Princeton Technology Corp.	Common stock	Innorich Venture Capital Corp.	—	Financial assets at FVTOCI	1,500	3,885	—	3,885
Princeton Capital Corp.	Fund	Capital Money Market Fund	—	Financial assets at FVTPL- current	1,219	20,430	—	20,430
Princeton Capital Corp.	Fund	Taishin 1699 Money Market Fund	—	Financial assets at FVTPL- current	1,451	20,447	—	20,447
Princeton Capital Corp.	Fund	Eastspring Investments Optimal Income Fund of Funds A TWD	—	Financial assets at FVTPL- current	449	6,064	—	6,064
Princeton Capital Corp.	Fund	KGI Real Assets Multi-asset Fund - TWD A	—	Financial assets at FVTPL- current	500	5,643	—	5,643
Princeton Capital Corp.	Common stock	Advanced Microelectronic Products Inc.	—	Financial assets at FVTPL- current	56	830	—	830
Princeton Capital Corp.	Limited partnership	Foryou Private Equity Limited Partnership	—	Financial assets at FVTPL – non current	—	15,360	—	15,360
Princeton Capital Corp.	Limited partnership	Qingfeng Capital Venture Capital Limited Partnership	—	Financial assets at FVTPL – non current	—	30,024	—	30,024
Princeton Capital Corp.	Common stock	Advanced Microelectronic Products Inc.	—	Financial assets at FVTOCI	288	418	—	418
Princeton Technology (Shenzhen) Ltd.	Financial products	Fubon bank (China ) co., Ltd Structured deposits Yue Hui Ying	—	Financial assets at FVTPL- current	4,650	21,186	—	21,186
Chengdu Chip-Rail Microelectronics Co.,Ltd.	Financial products	Bank of Communications Yuntong Wealth Term Structured Deposit	—	Financial assets at FVTPL- current	8,000	35,976	—	35,976
Princeton Silicon LTD	Unlisted equity investment	ARK HDPS SEMICONDUCTOR PTE. (Shenzhen) Ltd.	—	Financial assets at FVTOCI	—	44,872	3.07%	44,872

Table 4

Total purchase from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

For nine months ended September 30, 2024

(Amounts in Thousands of New Taiwan Dollars, unless specified)

Related Party	Nature of relationship	Transaction Details				Abnormal transaction		Notes/accounts payable or receivable		Note	
		Purchase /sale	Amount	% to Total	Payment term	Unit price	Payment terms	Ending balance			
									% to Total		
Princeton Technology (Chengdu) Corp.	Equity-method investee of Princeton Silicon Inc.	Sales	238,060	27.53%	OA90days	—	—	Accounts receivable	78,840	28.81%	

Table 5

Significant intercompany transactions between consolidated entities

For the nine months ended September 30, 2024

(Shares in thousands ,Amounts in Thousands of New Taiwan Dollars, unless specified)

Related Party	Counterparty	Relationship with the Company(Note1)	Transactions			
			Account	Amount	Terms	Percentage of consolidated operating revenues or consolidated total assets (Note 2)
Princeton Technology Corp.	Princeton Technology (Chengdu) Corp.	1	Sales	238,060	No significant difference	27.49%
Princeton Technology Corp.	Princeton Technology (Chengdu) Corp.	1	Purchase	15,533	No significant difference	1.79%
Princeton Technology Corp.	Princeton Technology (Chengdu) Corp.	1	Manufacturing expenses	1,826	No significant difference	0.21%
Princeton Technology Corp.	Princeton Technology (Chengdu) Corp.	1	Accounts receivable	78,840	No significant difference	3.36%
Princeton Technology Corp.	Princeton Technology (Chengdu) Corp.	1	Accounts payable	577	No significant difference	0.02%
Princeton Technology (Shenzhen) Ltd.	Princeton Technology (Chengdu) Corp.	2	Service incomes	13,356	No significant difference	1.54%
Princeton Technology (Shenzhen) Ltd.	Princeton Technology (Chengdu) Corp.	2	Accounts receivable	1,344	No significant difference	0.06%
Princeton Technology (Shenzhen) Ltd.	Princeton Technology (Chengdu) Corp.	2	Interest income	21	No significant difference	0.00%
Princeton Technology (Chengdu) Corp.	Chengdu Chip-Rail Microelectronics Co., Ltd.	2	Sales	14,138	No significant difference	1.63%
Princeton Technology (Chengdu) Corp.	Chengdu Chip-Rail Microelectronics Co., Ltd.	2	Purchase	1,173	No significant difference	0.14%
Princeton Technology (Chengdu) Corp.	Chengdu Chip-Rail Microelectronics Co., Ltd.	2	Rental incomes	1,135	No significant difference	0.13%
Princeton Technology (Chengdu) Corp.	Chengdu Chip-Rail Microelectronics Co., Ltd.	2	Accounts payable	211	No significant difference	0.01%
Princeton Technology (Chengdu) Corp.	Chengdu Chip-Rail Microelectronics Co., Ltd.	2	Other incomes	292	No significant difference	0.03%
Princeton Technology (Chengdu) Corp.	Chengdu Chip-Rail Microelectronics Co., Ltd.	2	Other advances	342	No significant difference	0.01%
Princeton Technology (Chengdu) Corp.	Chengdu Chip-Rail Microelectronics Co., Ltd.	2	Refundable deposits	329	No significant difference	0.01%
Princeton Technology (Chengdu) Corp.	Princeton Technology (Shenzhen) Ltd.	2	Rental incomes	439	No significant difference	0.05%

Note 1: Transactions are categorized as follows:

1. The holding company to subsidiary.
2. The subsidiary company to subsidiary.

Note 2: The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.

For profit or loss items, cumulative balances are used as basis.

Table 6

Name, locations, and other information of investee on which the company exercises significant influence

For the nine months ended September 30, 2024

(Amounts in Thousands of New Taiwan Dollars and Chinese Yuan, unless otherwise specified)

Investor	Investee	Location	Main business and products	Original investment amount		Balance as of September 30, 2024			Net income (loss) of the investee	Equity in net income (net loss)
				Sep 30, 2024	Dec 31, 2023	Shares (in thousand)	Percentage of ownership	Carrying value		
Princeton Technology Corp.	Princeton Silicon LTD	Hong Kong	Holding company	1,056,197	1,056,197	33,500	100.00%	944,307	(6,221)	(4,910)
Princeton Technology Corp.	Princeton Capital Corp.	Taiwan	Investment holding	150,000	150,000	15,000	100.00%	191,914	(2,127)	(2,127)
Princeton Technology Corp.	Microlink Communications Inc.	Taiwan	Wireless communications products research , manufacture and sales & marketing	80,000	80,000	8,000	25.00%	—	(6,754)	—
Princeton Technology Corp	Morelink Technology Corporation	Taiwan	Wireless communications products and Electronic components maintenance & sales; Importer of Restricted RF/Telecom device	15,800	15,800	1,580	7.87%	959	(24,654)	(1,940)
Princeton Technology Corp	Foresight Energy Technology Co., LTD	Taiwan	Electronic components and battery manufacturing, Electric equipment wholesale, Electronic material wholesale and sales	13,442	13,442	1,344	2.59%	15,110	(87,222)	(2,255)
Princeton Capital Corp.	Foresight Energy Technology Co., LTD	Taiwan	Electronic components and battery manufacturing, Electric equipment wholesale, Electronic material wholesale and sales	40,905	40,905	3,229	6.21%	36,301	(87,222)	(5,417)
Princeton Technology (Shenzhen)Ltd.	Chengdu Chip-Rail Microelectronics Co ., Ltd.	China	Computer systems development, IC design, computer hardware and software design and technical services	RMB 16,530	RMB 16,530	6,375	51.00%	RMB 40,431	RMB 2,317	RMB 1,181

Table 7

## Investment in Mainland China

For the nine months ended September 30, 2024

(Amounts in Thousands of New Taiwan Dollars and US Dollars, unless otherwise specified)

Investee	Main business and products	Total amount of paid-in capital	Investment type	Accumulated outflow of investment from Taiwan as of December 31, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2024	Net income of the investee	% Ownership director or indirect investment	Investment gain(loss)	Carrying value as of September 30, 2024	Accumulated inward remittance of earnings as of September 30, 2024
					Outflow	Inflow						
Princeton Technology (Shenzhen) Ltd.	IC sales, design & marketing and software research; the research and development of separators for lithium-ion batteries; communications equipment technical consulting and after-sale service	417,942 (USD13,000)	Indirect: Through Princeton Silicon Inc(a wholly owned subsidiary of Princeton Technology Corp.)	417,942 (USD13,000)	—	—	417,942 (USD13,000)	6,986 (USD 218 )	100%	7,114	369,596	—
Princeton Technology (Chengdu) Corp.	IC design and software research, technology transfer, technical consulting, after-sales service; modular design of electronic systems, development and sale; IC sale, import and export, communications equipment research, sales, import and export, technical consulting, after-sale service; lithium-ion batteries research, sales, import and export; own house rental	591,690 (USD19,000)	Indirect: Through Princeton Silicon Inc(a wholly owned subsidiary of Princeton Technology Corp.)	591,690 (USD19,000)	—	—	591,690 (USD19,000)	(12,125) (USD(379))	100%	(12,080)	533,577	—
ARK HDPS SEMICONDUCTOR PTE. (Shenzhen) Ltd.	R&D and sales of semiconductors, testing equipment, automation equipment, electromechanical equipment and related equipment, materials and consumables; related technical consulting, technology transfer and scientific and technological services; technology development, technology transfer and technical services in the field of new energy; import and export related matters	RMB10,905	Indirect: Through Princeton Silicon Inc(a wholly owned subsidiary of Princeton Technology Corp.)	43,343 (USD 1,396)	—	—	43,343 (USD1,396)	(76,350) (USD (2,384))	3.07%	Note2	44,872	—

Accumulated investment in Mainland China as of September 30, 2024	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment defined by Investment Commission, MOEA(Note1)
1,052,975(USD 33,396)	1,056,197(USD 33,500)	1,123,119

Note1: Recognition of the upper limit was based on reviewed financial statement as of September 30, 2024. The limit was NT\$1,174,906 (NT\$1,871,865× 60% = NT\$1,123,119)

Note2: Financial assets measured at FVTOCI – non- current.

Table 8

## Information on major shareholders

For the nine months ended September 30, 2024

Shareholders	Shares	
	Total Shares Owned (In Thousands)	Ownership Percentage
Chiang Tsang An	11,557	6.38%

Note1 :The Table discloses shareholding information of shareholders whose shareholding percentage is more than 5%. The Taiwan Depository & Clearing Corporation (TDCC) calculates the total number of ordinary shares and special shares (including treasury shares) that have completed the dematerialized registration and delivery on the last business day of the quarter. The share capital reported in the Company's consolidated financial statements and the actual number of shares that have completed the dematerialized registration and delivery may be different due to difference in the basis of calculation.