Greatek Electronics Inc. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2023 and 2022 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Greatek Electronics Inc.

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 12 to the consolidated financial statements, we did not review the financial statements of some immaterial subsidiaries, which included in the consolidated financial statements, as of and for the six months ended June 30, 2023, which represented total assets of 0.60% $154,046 thousand of the consolidated assets; and total liabilities of 1.04% $57,492 thousand of the consolidated liabilities. These statements also reflected these subsidiaries' comprehensive income of (0.18)% $(1,334) thousand and (0.33)% $(4,095) thousand of the consolidated comprehensive income for the three months ended June 30, 2023 and six months ended June 30, 2023, respectively. These investment amounts, as well as related information disclosed in Note 32 to the consolidated financial statements, were based on unreviewed financial statements of the investees for the same reporting periods as those of the Corporation and subsidiaries.

Conclusion

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

July 28, 2023

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. The English version have not reviewed by Deloitte & Touche. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023 (Reviewed) Amount	%	December 31, 2022 (Audited) Amount	%	June 30, 2022 (Reviewed) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 5,051,245	20	$ 3,835,529	16	$ 5,452,373	20
Financial assets at fair value through profit or loss - current (Note 7)	-	-	29,218	-	28	-
Financial assets at amortized cost - current (Note 9)	50,000	-	50,000	-	50,000	-
Contract assets - current (Notes 21 and 28)	834,009	3	883,364	3	897,090	3
Notes receivable (Notes 10 and 21)	16,805	-	44,579	-	142,825	1
Accounts receivable (Notes 10 and 21)	2,512,332	10	1,999,706	8	3,344,587	12
Receivables from related parties (Notes 21 and 28)	359,800	1	169,330	1	335,758	1
Inventories (Note 11)	1,206,709	5	1,425,007	6	1,748,847	6
Prepaid expenses and other current assets (Notes 16 and 28)	143,259	1	220,611	1	231,587	1
Total current assets	10,174,159	40	8,657,344	35	12,203,095	44
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,239,000	5	934,560	4	948,240	3
Financial assets at amortized cost - noncurrent (Note 9)	50,000	-	50,000	-	100,000	-
Property, plant and equipment (Note 13)	13,836,463	54	14,516,540	60	14,318,658	52
Right-of-use assets (Note 14)	41,367	-	45,712	-	7,472	-
Intangible assets (Notes 15 and 25)	88,094	-	97,619	-	47,511	-
Deferred income tax assets	5,734	-	2,807	-	13,523	-
Other noncurrent assets (Notes 16 and 29)	127,150	1	127,653	1	115,948	1
Total non-current assets	15,387,808	60	15,774,891	65	15,551,352	56
TOTAL	$ 25,561,967	100	$ 24,432,235	100	$ 27,754,447	100

LIABILITIES AND EQUITY	June 30, 2023 (Reviewed) Amount	%	December 31, 2022 (Audited) Amount	%	June 30, 2022 (Reviewed) Amount	%
CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - current (Note 7)	$ 3,672	-	$ 250	-	$ 2,050	-
Contract liabilities - current (Note 21)	147,969	1	200,206	1	206,272	1
Notes payable	9,239	-	6,563	-	2,624	-
Accounts payable (Note 28)	653,876	2	406,546	2	979,929	4
Payables to equipment suppliers	161,872	1	161,826	1	232,460	1
Dividend payable (Note 20)	2,104,730	8	-	-	2,844,230	10
Accrued compensation to employees and remuneration to directors (Note 22)	664,868	3	510,689	2	1,161,081	4
Current income tax liabilities	218,796	1	248,310	1	585,690	2
Lease liabilities - current (Note 14)	8,543	-	8,487	-	1,260	-
Accrued expenses and other current liabilities (Notes 17 and 28)	990,888	4	1,313,711	5	1,082,655	4
Guarantee deposits - current (Note 18)	71,507	-	70,518	-	68,241	-
Total current liabilities	5,035,960	20	2,927,106	12	7,166,492	26
NON-CURRENT LIABILITIES						
Deferred income tax liabilities	17,638	-	11,522	-	4,519	-
Lease liabilities - noncurrent (Note 14)	34,834	-	39,108	-	6,428	-
Guarantee deposits - noncurrent (Note 18)	303,921	1	334,977	1	259,332	1
Net defined benefit liability - noncurrent (Notes 4 and 19)	109,895	1	210,628	1	177,805	-
Total non-current liabilities	466,288	2	596,235	2	448,084	1
Total liabilities	5,502,248	22	3,523,341	14	7,614,576	27
EQUITY (Notes 20 and 24)						
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Capital stock						
Common stock	5,688,459	22	5,688,459	23	5,688,459	21
Capital surplus	2,412	-	2,282	-	2,282	-
Retained earnings						
Legal reserve	4,297,180	17	3,984,926	16	3,984,926	14
Special reserve	157,984	1	-	-	-	-
Unappropriated earnings	9,764,269	38	11,388,066	47	10,525,076	38
Other equity	146,456	-	(157,984)	-	(60,872)	-
Total equity attributable to shareholders of the Parent	20,056,760	78	20,905,749	86	20,139,871	73
NON-CONTROLLING INTERESTS	2,959	-	3,145	-	-	-
Total equity	20,059,719	78	20,908,894	86	20,139,871	73
TOTAL	$ 25,561,967	100	$ 24,432,235	100	$ 27,754,447	100

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

(With Deloitte & Touche review report dated July 28, 2023)

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Notes 21 and 28)	$ 3,515,618	100	$ 4,689,880	100	$ 6,532,353	100	$ 9,403,303	100
OPERATING COSTS (Notes 11, 19, 22 and 28)	2,704,094	77	3,191,845	68	5,184,388	79	6,380,306	68
GROSS PROFIT	811,524	23	1,498,035	32	1,347,965	21	3,022,997	32
OPERATING EXPENSES (Notes 19 and 22)								
Selling and marketing expenses	13,312	-	16,518	-	24,227	-	32,948	-
General and administrative	71,157	2	88,660	2	117,962	2	163,304	2
Research and development	62,581	2	70,168	2	116,869	2	135,708	1
Total operating expenses	147,050	4	175,346	4	259,058	4	331,960	3
OPERATING INCOME	664,474	19	1,322,689	28	1,088,907	17	2,691,037	29
NONOPERATING INCOME AND EXPENSES (Note 22)								
Interest income	18,152	1	7,041	-	32,850	-	11,970	-
Other income	21,431	1	22,421	-	29,545	-	36,458	-
Other gains and losses	50,919	1	79,847	2	39,597	1	138,648	2
Total nonoperating income and expenses	90,502	3	109,309	2	101,992	1	187,076	2
INCOME BEFORE INCOME TAX	754,976	22	1,431,998	30	1,190,899	18	2,878,113	31
INCOME TAX EXPENSE (Notes 4 and 23)	159,882	5	338,458	7	239,914	4	618,561	7
NET INCOME	595,094	17	1,093,540	23	950,985	14	2,259,552	24
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income (Note 20)	165,200	5	(78,356)	(1)	304,440	5	(105,356)	(1)
TOTAL COMPREHENSIVE INCOME	$ 760,294	22	$ 1,015,184	22	$ 1,255,425	19	$ 2,154,196	23
NET INCOME ATTRIBUTABLE TO								
Shareholders of the Parent	$ 595,169	17	$ 1,093,540	23	$ 951,171	15	$ 2,259,552	24
Non-controlling interests	(75)	-	-	-	(186)	-	-	-
	$ 595,094	17	$ 1,093,540	23	$ 950,985	15	$ 2,259,552	24

(Continued)

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO								
Shareholders of the Parent	$ 760,369	22	$ 1,015,184	22	$ 1,255,611	19	$ 2,154,196	23
Non-controlling interests	(75)	-	-	-	(186)	-	-	-
	$ 760,294	22	$ 1,015,184	22	$ 1,255,425	19	$ 2,154,196	23
EARNINGS PER SHARE (Note 24)								
Basic	$ 1.05		$ 1.92		$ 1.67		$ 3.97	
Diluted	$ 1.04		$ 1.90		$ 1.66		$ 3.92	

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

(With Deloitte & Touche review report dated July 28, 2023) (Concluded)

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Shareholders of the Corporation									
	Share Capital Issued and Outstanding			Retained Earnings			Other Equity			
	Share (Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Investments in Equity Instruments at Fair Value Through Other Comprehensive Income	Total	Noncontrolling Interest	Shareholders' Equity
BALANCE, JANUARY 1, 2022	568,846	$ 5,688,459	$ 2,282	$ 3,524,620	$ -	$ 11,570,060	$ 44,484	$ 20,829,905	$ -	$ 20,829,905
APPROPRIATION OF 2021 EARNINGS										
Legal reserve	-	-	-	460,306	-	(460,306)	-	-	-	-
Cash dividends to shareholders - NT$5.0 per share	-	-	-	-	-	(2,844,230)	-	(2,844,230)	-	(2,844,230)
Net income for the six months ended June 30, 2022	-	-	-	-	-	2,259,552	-	2,259,552	-	2,259,552
Other comprehensive income (loss) for the six months ended June 30, 2022, net of income tax	-	-	-	-	-	-	(105,356)	(105,356)	-	(105,356)
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	2,259,552	(105.356)	2,154,196	-	2,154,196
BALANCE, JUNE 30, 2022	568,846	$ 5,688,459	$ 2,282	$ 3,984,926	$ -	$ 10,525,076	$ (60.872)	$ 20,139,871	$ -	$ 20,139,871
BALANCE, JANUARY 1, 2023	568,846	$ 5,688,459	$ 2,282	$ 3,984,926	$	$ 11,388,066	$ (157,984)	$ 20,905,749	$ 3,145	$ 20,908,894
APPROPRIATION OF 2022 EARNINGS										
Legal reserve	-	-	-	312,254	-	(312,254)	-	-	-	-
Special reserve	-	-	-	-	157,984	(157,984)	-	-	-	-
Cash dividends to shareholders - NT$3.7 per share	-	-	-	-	-	(2,104,730)	-	(2,104,730)	-	(2,104,730)
Capital surplus - donations from shareholders	-	-	130	-	-	-	-	130	-	130
Net income (loss) for the six months ended June 30, 2023	-	-	-	-	-	951,171	-	951,171	(186)	950,985
Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	-	304,440	304,440	-	304,440
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	951,171	304,440	1,255,611	(186)	1,255,425
BALANCE, JUNE 30, 2023	568,846	$ 5,688,459	$ 2,412	$ 4,297,180	$ 157,984	$ 9,764,269	$ 146,456	$ 20,056,760	$ 2,959	$ 20,059,719

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

(With Deloitte & Touche review report dated July 28, 2023)

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Current income before income tax	$ 1,190,899	$ 2,878,113
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation	1,556,125	1,559,580
Amortization	11,011	14,426
Net loss on fair value change of financial instruments designated as at fair value through profit or loss	2,213	21,717
Finance costs	538	68
Interest income	(32,850)	(11,970)
Net gain on disposal of property, plant and equipment	(3)	(727)
Classification from property, plant and equipment to expenses	-	2
(Reversal) Recognition Provision of inventory valuation and obsolescence losses	(25,000)	35,000
Net gain on foreign currency exchange	(66,580)	(74,614)
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss	30,427	61,250
Decrease (increase) in contract assets	49,355	(962)
Decrease in notes receivable	27,774	12,586
(Increase) decrease in accounts receivable	(453,382)	449,430
(Increase) decrease in accounts receivable from related parties	(190,470)	100,040
Decrease (increase) in inventories	243,298	(420,306)
Decrease (increase) in prepaid expenses and other current assets	78,776	(13,363)
(Decrease) increase in contract liabilities	(52,237)	41,448
Increase (decrease) in notes payable	2,676	(722)
Increase (decrease) in accounts payable	246,040	(412,369)
Increase in accrued compensation to employees and remuneration to directors	154,179	402,640
Decrease in accrued expenses and other accounts payable	(322,823)	(336,784)
Decrease in net defined benefit liability	(100,733)	(73,643)
Cash generated from operations	2,349,233	4,230,840
Interest received	31,426	13,501
Interest paid	(538)	(68)
Income tax paid	(266,239)	(825,987)
Net cash provided by operating activities	2,113,882	3,418,286

(Continued)

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2023	**2022**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	$ -	$ (76,596)
Proceeds from financial assets at amortized cost	-	350,000
Acquisition of property, plant and equipment	(869,562)	(2,644,949)
Proceeds from disposal of property, plant and equipment	6	1,035
Decrease (increase) in refundable deposits	503	(95)
Increase in intangible assets	(1,486)	(8,464)
Net cash used in investing activities	(870,539)	(2,379,069)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in guarantee deposits	(33,430)	324,355
Repayment of the principal portion of lease liabilities	(4,218)	(623)
Donations from shareholders	130	-
Net cash (used) provided in financing activities	(37,518)	323,732
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	9,891	42,295
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,215,716	1,405,244
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,835,529	4,047,129
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 5,051,245	$ 5,452,373

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

(With Deloitte & Touche review report dated July 28, 2023) (Concluded)

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

Greatek Electronics Inc. (the “Corporation” or “Greatek”) was incorporated in the Republic of China (“ROC”) on March 7, 1983. The Corporation mainly provides semiconductor assembly and testing services on a turnkey basis.

The Corporation’s shares have been listed on the Taiwan Stock Exchange (TSE) on October 26, 2000.

Powertech Technology Inc. (PTI) acquired Greatek’s 44.09% ownership, pursuant to Greatek’s board approval on December 21, 2011. On the reelection of the directors and supervisors of Greatek, PTI holds a majority of the directors seats and become parent. PTI has 42.91% ownership of Greatek as of June 30, 2023 and 2022.

The consolidated financial statements are presented in the Greatek’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved to the Board of Directors and issued on July 28, 2023.

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024

(Continued)

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024
Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”	Note 3

(Concluded)

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

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

Note 3: The requirement that the Group applies the exception and the requirement to disclose that fact is applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are applied for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

a. Statement of compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

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

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

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

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

See Notes 12 and 32 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, the accounting policies applied in these financial statements are consistent with those applied in the financial statements for the year ended December 31, 2022. For the summary of other significant accounting policies, refer to the financial statements for the year ended December 31, 2022.

1) Retirement benefits

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

2) 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 UNCERTAINTY

The critical accounting judgments and key sources of estimation uncertainty followed in these consolidated financial statements refer to the consolidated financial statements for the year ended December 31, 2022.

6. CASH

	June 30, 2023	December 31, 2022	June 30, 2022
Bank deposits	$ 5,051,245	$ 3,835,529	$ 5,452,373

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

	June 30, 2023	December 31, 2022	June 30, 2022
Bank deposits	0.44%-5.00%	0.31%-4.35%	0.06%-1.75%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets at FVTPL - current			
Financial assets held for trading - current			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	$ -	$ 28,209	$ 28
Non-derivative financial assets			
Mutual funds	-	1,009	-
	$ -	$ 29,218	$ 28
Financial liabilities at FVTPL - current			
Financial liabilities held for trading - current			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	$ 3,672	$ 250	$ 2,050

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

	Currency	Maturity Date	Contract Amounts (In Thousands)
June 30, 2023			
Sell forward exchange contracts	USD to NTD	2023.07.11-2023.08.16	USD7,200/NTD219,753
December 31, 2022			
Sell forward exchange contracts	USD to NTD	2023.01.11-2023.02.13	USD5,000/NTD153,827
June 30, 2022			
Sell forward exchange contracts	USD to NTD	2022.07.12-2022. 08.11	USD8,200/NTD241,552

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI

	June 30, 2023	December 31, 2022	June 30, 2022
Non-current			
Domestic investments			
Listed shares			
Ordinary shares - Powertech Technology Inc.	$1,239,000	$ 934,560	$ 948,240

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.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2023	December 31, 2022	June 30, 2022
Current			
Domestic investments			
Corporate bonds –P08 Taiwan Power Company 3A Bond	$ 50,000	$ 50,000	$ -
Corporate bonds –P06 Taiwan Power Company 3A Bond	-	-	50,000
	$ 50,000	$ 50,000	$ 50,000
Noncurrent			
Corporate bonds - P08 Taiwan Power Company 3A Bond	$ 50,000	$ 50,000	$ 100,000

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

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

Refer to Note 27 for information relating to their credit risk management and impairment.

10. NOTES AND ACCOUNTS RECEIVABLE, NET

	June 30, 2023	December 31, 2022	June 30, 2022
Notes receivable - operating	$ 16,805	$ 44,579	$ 142,825
Accounts receivable	$ 2,572,832	$ 2,060,206	$ 3,404,756
Less: Allowance for impairment loss	(60,500)	(60,500)	(60,169)
	$ 2,512,332	$ 1,999,706	$ 3,344,587

The average credit period of sales of goods was 60-90 days. No interest was charged on accounts receivables. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Corporation's credit risk was significantly reduced.

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

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

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

June 30, 2023

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	$ 2,556,946	$ 13,995	$ 529	$ 114	$ 1,248	$ 2,572,832
Loss allowance (Lifetime ECL)	(44,614)	(13,995)	(529)	(114)	(1,248)	(60,500)
Amortized cost	$ 2,512,332	$ -	$ -	$ -	$ -	$ 2,512,332

December 31, 2022

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	$ 2,005,585	$ 46,853	$ 7,233	$ 535	$ -	$ 2,060,206
Loss allowance (Lifetime ECL)	(5,879)	(46,853)	(7,233)	(535)	-	(60,500)
Amortized cost	$ 1,999,706	$ -	$ -	$ -	$ -	$ 1,999,706

June 30, 2022

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	$ 3,372,729	$ 30,054	$ 929	$ 8	$ 1,036	$ 3,404,756
Loss allowance (Lifetime ECL)	(28,142)	(30,054)	(929)	(8)	(1,036)	(60,169)
Amortized cost	$ 3,344,587	$ -	$ -	$ -	$ -	$ 3,344,587

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

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1 and June 30	$ 60,500	$ 60,169

11. INVENTORIES

	June 30, 2023	December 31, 2022	June 30, 2022
Raw materials	$ 1,078,100	$ 1,289,560	$ 1,560,182
Supplies	128,609	135,447	188,665
	$ 1,206,709	$ 1,425,007	$ 1,748,847

The costs of inventories recognized as cost of goods sold were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
(Reversal) Provision of inventory valuation and obsolescence losses	$ (25,000)	$ 35,000	$ (25,000)	$ 35,000
Unallocated overheads	$ 230,309	$ 83,955	$ 498,112	$ 146,266
Sales of scrapes	$ (15,093)	$ (22,397)	$ (29,982)	$ (46,722)
Operating Costs	$ 2,704,094	$ 3,191,845	$ 5,184,388	$ 6,380,306

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership			
Investor	Investee	Main Business	June 30, 2023	December 31, 2022	June 30, 2022	Remark
Greatek Electronics Inc.	Get-Team Tech Corporation (Get-Team)	Metal plating on semiconductor lead frame	97.46%	97.46%	-	Notes 1 and 2

Note 1: In October 2022, Greatek acquired 97.46% ownership of Get-Team Tech Corporation and obtained the majority, Get-Team Tech Corporation became a subsidiary of Greatek.

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

13. PROPERTY, PLANT AND EQUIPMENT

	For the Six Months Ended June 30, 2022									
	Land	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Installation	Construction in Progress	Spare Parts	Total
Cost										
Balance, beginning of period	$ 1,877,336	$ 3,966,175	$ 19,936,998	$ 20,698	$ 122,402	$ 539,076	$ 875,862	$ 1,501,618	$ 259,407	$ 29,099,572
Additions	-	41,176	402,435	1,197	13,786	18,700	463,008	812,765	252,104	2,005,171
Disposals	-	-	(1,272)	-	-	-	-	-	(227,593)	(228,865)
Reclassified	97	10,677	669,551	-	-	-	(669,553)	(10,774)	-	(2)
Balance, end of period	1,877,433	4,018,028	21,007,712	21,895	136,188	557,776	669,317	2,303,609	283,918	30,875,876
Accumulated deprecation										
Balance, beginning of period	-	2,236,853	12,504,832	11,592	71,251	402,304	-	-	-	15,226,832
Depreciation expense	-	121,928	1,175,300	1,653	8,400	24,069	-	-	227,593	1,558,943
Disposals	-	-	(964)	-	-	-	-	-	(227,593)	(228,557)
Balance, end of period	-	2,358,781	13,679,168	13,245	79,651	426,373	-	-	-	16,557,218
Net book value, beginning of period	$ 1,877,336	$ 1,729,322	$ 7,432,166	$ 9,106	$ 51,151	$ 136,772	$ 875,862	$ 1,501,618	$ 259,407	$ 13,872,740
Net book value, end of period	$ 1,877,433	$ 1,659,247	$ 7,328,544	$ 8,650	$ 56,537	$ 131,403	$ 669,317	$ 2,303,609	$ 283,918	$ 14,318,658

	For the Six Months Ended June 30, 2023									
	Land	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Installation	Construction in Progress	Spare Parts	Total
Cost										
Balance, beginning of period	$ 1,981,352	$ 4,817,450	$ 19,956,436	$ 28,481	$ 150,278	$ 656,832	$ 835,990	$ 1,983,196	$ 258,547	$ 30,668,562
Additions	-	201,533	44,629	-	8,279	40,390	118,037	301,500	157,338	871,706
Disposals	-	(421)	(14,446)	-	-	(1,249)	-	-	(157,418)	(173,534)
Reclassified		1,586,301	700,480	-	8,531	32,515	(741,526)	(1,586,301)	-	-
Balance, end of period	1,981,352	6,604,863	20,687,099	28,481	167,088	728,488	212,501	698,395	258,467	31,366,734
Accumulated deprecation										
Balance, beginning of period	-	2,491,245	13,093,970	16,036	88,918	461,853	-	-	-	16,152,022
Depreciation expense	-	180,252	1,173,428	1,963	8,674	30,045	-	-	157,418	1,551,780
Disposals	-	(421)	(14,446)	-	-	(1,246)	-	-	(157,418)	(173,531)
Balance, end of period	-	2,671,076	14,252,952	17,999	97,592	490,652	-	-	-	17,530,271
Net book value, beginning of period	$ 1,981,352	$ 2,326,205	$ 6,862,466	$ 12,445	$ 61,360	$ 194,979	$ 835,990	$ 1,983,196	$ 258,547	$ 14,516,540
Net book value, end of period	$ 1,981,352	$ 3,933,787	$ 6,434,147	$ 10,482	$ 69,496	$ 237,836	$ 212,501	$ 698,395	$ 258,467	$ 13,836,463

The above items of property, plant and equipment were depreciated on a straight-line basis at the following rates per annum:

Buildings	
Main plants	26 years
Mechanical and electrical power equipment	2-11 years
Others	2-51 years
Machinery and equipment	2-10 years
Transportation equipment	4-6 years
Office equipment	3-7 years
Other equipment	2-16 years
Spare parts	0.5 year

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amounts			
Building	$ 29,763	$ 33,265	$ -
Machinery and Equipment	11,604	12,447	7,472
	$ 41,367	$ 45,712	$ 7,472

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Depreciation charge for right-of-use asset				
Building	$ 1,750	$ -	$ 3,501	$ -
Machinery and Equipment	422	318	844	637
	$ 2,172	$ 318	$ 4,345	$ 637

b. Lease liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amounts			
Current	$ 8,543	$ 8,487	$ 1,260
Non-current	$ 34,834	$ 39,108	$ 6,428

Range of discount rate for lease liabilities was as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Building	2.525%	2.525%	-
Machinery and equipment	1.695%-2.300%	1.695%-2.300%	1.695%

c. Material lease-in activities and terms

Get-Team leases certain buildings for the use of production line with lease terms of 5 years. Get-Team has no options to purchase the buildings for a nominal amount at the end of the lease terms.

Grtatek leases certain machinery equipment for the use of assembly and testing service with lease terms of 14 years. Grtatek has no options to purchase the equipment for a nominal amount at the end of the lease terms.

15. INTANGIBLE ASSETS

	For the Six Months Ended June 30, 2022			
	Goodwill	Trade secret	Computer Software	Total
Cost				
Balance, beginning of period	$ -	$ -	$ 147,155	$ 147,155
Additions	-	-	8,464	8,464
Balance, end of period	-	-	155,619	155,619

(Continued)

	For the Six Months Ended June 30, 2022			
	Goodwill	Trade secret	Computer Software	Total
Accumulated amortization				
Balance, beginning of period	$ -	$ -	$ 93,682	$ 93,682
Additions	-	-	14,426	14,426
Balance, end of period	-	-	108,108	108,108
Net book value, end of period	$ -	$ -	$ 47,511	$ 47,511

(Concluded)

	For the Six Months Ended June 30, 2023			
	Goodwill	Trade secret	Computer Software	Total
Cost				
Balance, beginning of period	$ 17,896	$ 41,383	$ 92,692	$ 151,971
Additions	-	-	1,486	1,486
Balance, end of period	17,896	41,383	94,178	153,457
Accumulated amortization				
Balance, beginning of period	-	1,035	53,317	54,352
Additions	-	2,069	8,942	11,011
Balance, end of period	-	3,104	62,259	65,363
Net book value, end of period	$ 17,896	$ 38,279	$ 31,919	$ 88,094

The Corporation acquired Get-Team in October, 2022 and recognized goodwill of $17,896 thousand (see note 25).

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

Trade secret	10 years
Computer Software	5 years

16. OTHER ASSETS

	June 30, 2023	December 31, 2022	June 30, 2022
Current			
Tax overpaid	$ 41,114	$ 131,520	$ 121,510
Inventory of supplies	37,463	33,187	35,484
Other receivables	15,807	16,786	12,055
Tax refund receivables	15,123	17,820	28,935
Prepaid insurances	11,857	4,603	8,046

(Continued)

	June 30, 2023	December 31, 2022	June 30, 2022
Payment on behalf of others	$ 7,165	$ 4,791	$ 5,072
Advance payments	2,305	2,640	13,246
Others (a)	12,425	9,264	7,239
	$ 143,259	$ 220,611	$ 231,587
Non-current			
Pledged deposits (b)	$ 118,700	$ 118,700	$ 108,700
Refundable deposits	8,450	8,953	7,248
	$ 127,150	$ 127,653	$ 115,948

(Concluded)

a. Other current assets include temporary debits, interest receivable, and prepaid rents.

b. Pledge deposits are guarantee deposits for domestic sales, gas volume in CPC Corporation, and environmental protection of lease buildings.

17. OTHER LIABILITIES

	June 30, 2023	December 31, 2022	June 30, 2022
Current			
Accrued expenses			
Bonus	$ 571,113	$ 864,676	$ 560,796
Indemnification payable (a)	76,356	131,408	133,754
Utilities	63,253	40,368	44,568
Labor and health insurance	43,751	58,534	50,977
Others (b)	194,837	174,320	240,896
	949,310	1,269,306	1,030,991
Other current liabilities			
Behalf of the collection	26,720	22,190	39,885
Temporary receipts	14,858	22,215	11,779
	41,578	44,405	51,664
	$ 990,888	$ 1,313,711	$ 1,082,655

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

b. Other accrued expenses include accrued spare parts, benefit retirement, services, and utilization of the foreign employment security.

18. GUARANTEE DEPOSITS

	June 30, 2023	December 31, 2022	June 30, 2022
Capacity guarantee	$ 375,412	$ 405,479	$ 327,557
Others	16	16	16
	$ 375,428	$ 405,495	$ 327,573
Current	$ 71,507	$ 70,518	$ 68,241
Non-current	$ 303,921	$ 334,977	$ 259,332

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Employee benefit expenses in respect of the Corporation's defined contribution retirement plans were $26,336 thousand, $31,473 thousand, $54,242 thousand and $61,589 thousand for the three months and six months ended June 30, 2023 and 2022, respectively.

b. Defined benefit plans

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

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

Employee benefit expenses in respect of the Corporation's defined benefit retirement plans were $950 thousand, $647 thousand, $1,900 thousand and $1,294 thousand for the three months and six months ended June 30, 2023 and 2022, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2022 and 2020.

20. EQUITY

a. Ordinary shares

	June 30, 2023	December 31, 2022	June 30, 2022
Numbers of shares authorized (in thousands)	700,000	700,000	700,000
Shares authorized	$ 7,000,000	$ 7,000,000	$ 7,000,000
Number of shares issued and fully paid (in thousands)	568,846	568,846	568,846
Shares issued	$ 5,688,459	$ 5,688,459	$ 5,688,459

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

There are 20,000 thousand shares reserved for employee stock options.

b. Capital surplus

	June 30, 2023	December 31, 2022	June 30, 2022
May be used to offset a deficit, distributed as cash dividends or transferred to share capital			
Share premium	$ 1,647	$ 1,647	$ 1,647
May be used to offset a deficit only			
Donations from shareholders	765	635	635
	$ 2,412	$ 2,282	$ 2,282

The premium from shares issued in excess of par may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Corporation's capital surplus and once a year). The capital surplus from employee share options and share warrants may not be used for any purpose.

c. Retained earnings and dividend policy

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

1) Deducted for accumulated deficits. (include current year's adjusted undistributed earnings)

2) Appropriate the 10% as the legal reserve. However when the legal reserve amounts to the authorized capital, this shall not apply.

3) Appropriate or reverse the special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge.

4) The board of directors will draft a resolution declaring a dividend equaling the sum of previous years' surpluses and current year's adjusted undistributed earnings, less previous expense balances. The shareholders will ultimately decide whether the amount should be distributed as dividends or retained within the Corporation.

For information on the accrued employees' compensation and remuneration to directors and the actual appropriations, please refer to the employee benefit expense shown in Note 22 (f).

Dividends are distributed in the form of cash, common shares or a combination of cash and common shares. In consideration of the Corporation's being in a capital-intensive industry as well as the long-term development, overall environment, industrial growth characteristics, capital demand, capital budget, shareholders' interests, balanced dividend considerations and long-term financial plans, the Corporation's Articles of Incorporation provide that the total of cash dividends paid in any given year should be at least 30% of total dividends distributed.

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

The Corporation appropriates or reverses a special reserve in accordance with Rule No.1010012865 issued by the FSC.

The appropriations of earnings for 2022 and 2021 had been approved in the shareholders' meetings on May 30, 2023 and May 26, 2022, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Appropriation of Earnings	Dividends Per Share ($)	
	For Year 2022	For Year 2021	For Year 2022	For Year 2021
Legal reserve	$ 312,254	$ 460,306	$ -	$ -
Special reserve	157,984	-	-	-
Cash dividends	2,104,730	2,844,230	3.7	5.0

d. Special reserve

	For the Three Months Ended June 30
	2023
Balance at January 1	$ -
Appropriation in respect of Debit to other equity items	157,984
Balance at June 30	$157,984

e. Other equity items

Unrealized gain (loss) on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1	$ (157,984)	$ 44,484
Other comprehensive income (loss) recognized for the year	304,440	(105,356)
Balance at June 30	$ 146,456	$ (60,872)

f. Non-controlling interests

	For the Three Months Ended June 30
	2023
Balance at January 1	$ 3,145
Share in loss for the period	(186)
Balance at June 30	$ 2,959

21. REVENUE

a. Contract information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Revenue from contracts with customers				
Revenue from assembly service	$ 3,023,210	$ 3,945,502	$ 5,658,956	$ 7,919,954
Revenue from testing service	492,408	744,378	873,397	1,483,349
	$ 3,515,618	$ 4,689,880	$ 6,532,353	$ 9,403,303

When the Corporation fulfilled the assembly service contract, the customer controls the goods when they are created or enhanced, the Corporation has the right to perform the collection if partial of the assembly service contract have been fulfilled, and the revenue from assembly service is recognized over time. When the Corporation fulfilled the testing service contract, the customer simultaneously receives and consumes the benefits provided by the Corporation's performance, the Corporation has the right to perform the collection if partial of the testing service contract have been fulfilled, and the revenue from testing service is recognized over time.

b. Contact balances

	June 30, 2023	December 31, 2022	June 30, 2022	January 1, 2022
Notes and accounts receivables (included related parties) (Note 10)	$ 2,888,937	$ 2,213,615	$ 3,823,170	$ 4,346,371
Contract assets-current				
Revenue from services	$ 834,009	$ 883,364	$ 897,090	$ 896,128
Less: Allowance for impairment loss	-	-	-	-
	$ 834,009	$ 883,364	$ 897,090	$ 896,128
Contract liabilities- current				
Revenue from services	$ 147,969	$ 200,206	$ 206,272	$ 164,824

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

Revenue of the reporting period recognized from the beginning contract liability and from the performance obligations satisfied in previous periods is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
From the beginning contract liability				
Revenue from services	$ 24,928	$ 23,279	$ 113,464	$ 128,880

c. Disaggregation of revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Primary geographical markets				
Taiwan (The location of the Corporation)	$ 2,220,594	$ 2,956,611	$ 3,964,207	$ 6,113,853
Asia	610,069	658,919	1,260,231	1,143,126
America	377,453	657,840	711,782	1,308,909
Europe	307,465	416,510	596,096	837,333
Africa	37	-	37	82
	$ 3,515,618	$ 4,689,880	$ 6,532,353	$ 9,403,303

22. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Bank deposits	$ 17,973	$ 6,485	$ 32,493	$ 10,158
Financial assets measured at amortized cost	179	556	357	1,812
	$ 18,152	$ 7,041	$ 32,850	$ 11,970

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Rental income	$ 253	$ -	$ 518	$ -
Others	21,178	22,421	29,027	36,548
	$ 21,431	$ 22,421	$ 29,545	$ 36,548

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Net gain on foreign currency exchange	$ 56,337	$ 100,757	$ 42,560	$ 180,738
Net loss arising on financial instruments classified as held for trading	(5,156)	(19,407)	(2,414)	(34,051)
Financial costs	(260)	(33)	(538)	(68)
Others	(2)	(1,470)	(11)	(7,971)
	$ 50,919	$ 79,847	$ 39,597	$ 138,648

d. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
An analysis of depreciation by function				
Operating costs	$ 779,792	$ 773,233	$ 1,535,542	$ 1,543,897
Operating expense	10,779	7,983	20,583	15,683
	$ 790,571	$ 781,216	$ 1,556,125	$ 1,559,580

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
An analysis of amortization by function				
Operating costs	$ 3,450	$ 5,448	$ 7,102	$ 10,681
Selling and marketing expenses	-	-	-	-
General and administrative	420	356	832	725
Research and development	1,537	1,470	3,077	3,020
	$ 5,407	$ 7,274	$ 11,011	$ 14,426

(Concluded)

e. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Post-employment benefits				
Defined contribution plans	$ 26,336	$ 31,473	$ 54,242	$ 61,589
Defined benefit plans (see Note 19)	950	647	1,900	1,294
	27,286	32,120	56,142	62,883
Other employee benefits	895,989	1,073,065	1,671,206	2,137,293
Total employee benefits expense	$ 923,275	$ 1,105,185	$ 1,727,348	$ 2,200,176
An analysis of employee benefits expense by function				
Operating costs	$ 808,084	$ 965,400	$ 1,527,776	$ 1,934,410
Operating expenses	115,191	139,785	199,572	265,766
	$ 923,275	$ 1,105,185	$ 1,727,348	$ 2,200,176

f. Employees’ compensation and remuneration to directors

The Corporation stipulate to distribute employees’ compensation and remuneration of directors at the rates between 9% to 15% and no higher than 3%, respectively, of net profit before income tax, employees’ compensation, and remuneration of directors. For the three months and six months ended June 30, 2023 and 2022, the employees’ compensation and the remuneration of directors were as follows:

Accrual rate

	For the Six Months Ended June 30	
	2023	2022
Employees’ compensation	10%	10%
Remuneration of directors	2%	2%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Employees' compensation	$ 80,385	$ 185,941	$ 128,483	$ 343,428
Remuneration to directors	$ 16,077	$ 27,715	$ 25,696	$ 59,212

If there is a change in the proposed amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.
The appropriations of employees' compensation and remuneration of directors for 2022 and 2021 having been resolved by the board of directors on February 24, 2023 and February 25, 2022, respectively, were as below:

	For the Year Ended December 31			
	2022		2021	
	Cash	Share	Cash	Share
Employees' compensation	$ 429,978	$ -	$ 634,106	$ -
Remuneration of directors	80,711	-	124,335	-

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the year ended December 31, 2022 and 2021

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors in 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Gain or loss on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Foreign exchange gains	$ 70,829	$ 130,863	$ 85,577	$ 221,744
Foreign exchange losses	(14,492)	(30,106)	(43,017)	(41,006)
	$ 56,337	$ 100,757	$ 42,560	$ 180,738

23. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	$ 139,232	$ 304,083	$ 220,532	$ 586,421
Adjustments for prior periods	15,391	22,294	15,391	22,294
Deferred tax				
In respect of the current period	5,259	12,081	3,991	9,846
Income tax expense recognized in profit or loss	$ 159,882	$ 338,458	$ 239,914	$ 618,561

b. Income tax assessments

Income tax returns through 2021 have been examined and cleared by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Basic earnings per share	$ 1.05	$ 1.92	$ 1.67	$ 3.97
Diluted earnings per share	$ 1.04	$ 1.90	$ 1.66	$ 3.92

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

Net Profit for the Periods

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Net profit attributable to owners of the Corporation	$ 595,169	$ 1,093,540	$ 951,171	$ 2,259,552
Effect to dilutive potential ordinary shares:				
Employees' compensation	-	-	-	-
Net profit in computation of diluted earnings per share	$ 595,169	$ 1,093,540	$ 951,171	$ 2,259,552

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	568,846	568,846	568,846	568,846
Effect to dilutive potential ordinary share:				
Employees' compensation	2,246	5,504	4,662	8,172
Weighted average number of ordinary shares outstanding in computation of dilutive earnings per share	571,092	574,350	573,508	577,018

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

25. SUBSIDIARIES ACQUIRED

a. Subsidiaries acquired

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

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

b. Consideration transferred

	Get-Team Tech Corporation
Cash	$ 171,523

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

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

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

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

d. Non-controlling interests

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

e. Goodwill recognized on acquisitions

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

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

The total amount of acquired goodwill is not tax-deductible.

f. Net cash outflow on the acquisition of subsidiaries

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

26. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure its ability to continue as going concerns while maximizing the return to stakeholders. The Corporation's overall strategy has no significant variations.

The capital structure of the Corporation consists of comprising issued capital, reserves and retained earnings.

Key management personnel of the Corporation review the capital structure on a annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Corporation may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

27. FINANCIAL INSTRUMENTS

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

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values or their fair values cannot be reliably measured.

June 30, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost					
Domestic corporate bonds	$ 100,000	$ -	$ 100,048	$ -	$ 100,048

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost					
Domestic corporate bonds	$ 100,000	$ -	$ 100,082	$ -	$ 100,082

June 30, 2022

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost					
Domestic corporate bonds	$ 150,000	$ -	$ 150,197	$ -	$ 150,197

The fair value of level 2 mentioned above was used quoted price from Taipei Exchange (Taiwan GreTai Securities Market).

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

1) Fair value hierarchy

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic Listed shares	$ 1,239,000	$ -	$ -	$ 1,239,000
Financial liabilities at FVTPL				
Forward exchange contracts	$ -	$ 3,672	$ -	$ 3,672

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 28,209	$ -	$ -	$ 28,209
Forward exchange contracts	-	1,009	-	1,009
	$ 28,209	$ 1,009	$ -	$ 29,218
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic Listed shares	$ 934,560	$ -	$ -	$ 934,560
Financial liabilities at FVTPL				
Forward exchange contracts	$ -	$ 250	$ -	$ 250

June 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Forward exchange contracts	$ -	$ 28	$ -	$ 28
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic Listed shares	$ 948,240	$ -	$ -	$ 948,240
Financial liabilities at FVTPL				
Forward exchange contracts	$ -	$ 2,050	$ -	$ 2,050

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

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign currency forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

c. Categories of financial instruments

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets			
Fair value through profit or loss (FVTPL)			
Held for trading	$ -	$ 29,218	$ 28
Financial assets at amortized cost (Note 1)	8,186,638	6,295,659	9,555,518
Financial assets at FVTOCI			
Equity instruments	1,239,000	934,560	948,240
Financial liabilities			
Fair value through profit or loss (FVTPL)			
Held for trading	3,672	250	2,050
Amortized cost (Note 2)	3,438,120	1,089,325	4,568,926

Note 1: The balances include financial assets measured at amortized cost, which comprise cash, debt investments, notes and accounts receivables (included related parties), other receivables, other assets, and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise notes and accounts payable, payables to equipment suppliers, dividend payable, other payables, and guarantee deposits.

d. Financial risk management objectives and policies

The Corporation's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Corporation through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include foreign currency risk, interest rate risk, credit risk and liquidity risk.

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

1) Market risk

The Corporation's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

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

a) Foreign currency risk

The Corporation had foreign currency sales and purchases, which exposed the Corporation to foreign currency risk. Approximately 74% and 62% of the Corporation's sales were denominated in currencies other than the functional currency of the Corporation entity making the sale, whilst almost 14% and 17% of costs were denominated in the Corporation entity's functional currency for the six months ended June 30, 2023 and 2022. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 31.

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

Sensitivity analysis

The Corporation was mainly exposed to the currency USD. The sensitivity analysis included currency USD denominated monetary items at the end of the reporting period. For a 1% strengthening and weakening of New Taiwan dollars against US dollars, the Corporation's pre-tax profit for the six months ended June 30, 2023 and 2022 would decrease/increase by $21,209 thousand and $21,200 thousand.

b) Interest rate risk

The carrying amount of the Corporation’s financial assets with exposure to interest rates at the end of the reporting period was as follows. The Corporation’s interest rate risk also comes from borrowings at floating interest rates.

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

	June 30, 2023	**December 31, 2022**	**June 30, 2022**
Fair value interest rate risk			
Financial assets	$ 4,887,981	$ 3,316,303	$ 3,715,959
Cash flow interest rate risk			
Financial assets	281,964	637,926	1,845,114

Sensitivity analysis

If interest rates had been 0.5% higher/lower and all other variables were held constant, the Corporation’s pre-tax profit for the six months ended June 30, 2023 and 2022 would increase/decrease by $705 thousand and $4,613 thousand, respectively, which was mainly attributable to the Corporation’s exposure to interest rates on its variable-rate net assets.

c) Other price risk

The Corporation was exposed to equity price risk through its investments in financial assets classified as fair value through profit or loss (i.e. FVTPL), available-for-sale, and fair value through other comprehensive income (i.e. FVTOCI).

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 1% higher/lower, the Corporation’s pre-tax profit for the six months ended June 30, 2023 and 2022 would increase/decrease by $12,390 thousand and $9,482 thousand, respectively, as a result of the changes in fair value of financial instruments classified as FVTOCI.

2) Credit risk

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

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

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

Credit risk management for investments in debt instruments classified as at amortized cost was as follow.

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

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

Category	Description	Basis for Recognizing Expected Credit Losses	Expected Loss Rate
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECL	0%

3) Liquidity risk

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

a) Liquidity of non-derivative financial liabilities

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

June 30, 2023

	On Demand or Less than 3 Month	3-6 Months	6 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Notes and accounts payable	$ 663,115	$ -	$ -	$ -	$ -
Lease liabilities	2,378	2,378	4,712	30,949	5,975
Payables to equipment suppliers	161,872	-	-	-	-
Dividend payable	2,104,730	-	-	-	-
Guarantee deposits	17,877	17,877	35,753	286,028	17,893
Other payables	132,975	-	-	-	-
	$ 3,082,947	$ 20,255	$ 40,465	$ 316,977	$ 23,868

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Guarantee deposits	$ 71,507	$ 286,028	$ 17,877	$ -	$ -	$ 16
Lease liabilities	9,468	30,949	4,495	1,480	-	-
	$ 80,975	$ 316,977	$ 22,372	$ 1,480	$ -	$ 16

December 31, 2022

	On Demand or Less than 3 Month	3-6 Months	6 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Notes and accounts payable	$ 413,109	$ -	$ -	$ -	$ -
Lease liabilities	2,378	2,378	4,757	35,090	6,545
Payables to equipment suppliers	161,826	-	-	-	-
Guarantee deposits	17,630	17,630	35,258	282,072	52,905
Other payables	108,896	-	-	-	-
	$ 703,839	$ 20,008	$ 40,015	$ 317,162	$ 59,450

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Guarantee deposits	$ 70,518	$ 282,072	$ 52,889	$ -	$ -	$ 16
Lease liabilities	9,513	35,090	4,825	1,720	-	-
	$ 80,031	$ 317,162	$ 57,714	$ 1,720	$ -	$ 16

June 30, 2022

	On Demand or Less than 3 Month	3-6 Months	6 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Notes and accounts payable	$ 982,553	$ -	$ -	$ -	$ -
Lease liabilities	345	345	690	4,080	2,755
Payables to equipment suppliers	232,460	-	-	-	-
Dividend payable	2,844,230	-	-	-	-
Guarantee deposits	17,060	17,060	34,121	259,316	16
Other payables	182,110	-	-	-	-
	$ 4,258,758	$ 17,405	$ 34,811	$ 263,396	$ 2,771

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Guarantee deposits	$ 68,241	$ 259,316	$ -	$ -	$ -	$ 16
Lease liabilities	1,380	4,080	2,595	160	-	-
	$ 69,621	$ 263,396	$ 2,595	$ 160	$ -	$ 16

b) Liquidity of derivative financial liabilities

The following table detailed the Corporation’s liquidity analysis for its derivative financial instruments. The table was based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

June 30, 2023

	On Demand or Less than 3 Month	3-6 Months	6 Months to 1 Year	1-5 Years	5+ Years
Gross settled					
Forward exchange contracts					
Inflows	$ 219,753	$ -	$ -	$ -	$ -
Outflows	(223,848)	-	-	-	-
	$ (4,095)	$ -	$ -	$ -	$ -

December 31, 2022

	On Demand or Less than 3 Month	3-6 Months	6 Months to 1 Year	1-5 Years	5+ Years
Gross settled					
Forward exchange contracts					
Inflows	$ 153,827	$ -	$ -	$ -	$ -
Outflows	(153,300)	-	-	-	-
	$ 527	$ -	$ -	$ -	$ -

June 30, 2022

	On Demand or Less than 3 Month	3-6 Months	6 Months to 1 Year	1-5 Years	5+ Years
Gross settled					
Forward exchange contracts					
Inflows	$ 241,552	$ -	$ -	$ -	$ -
Outflows	(243,294)	-	-	-	-
	$ (1,742)	$ -	$ -	$ -	$ -

28. TRANSACTIONS WITH RELATED PARTIES

The Corporation's parent is PTI, which held 42.91% of common shares of the Corporation as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

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

a. Related party name and relationship

Related Party Name	Relationship with the Corporation
Powertech Technology Inc.	Parent entity
Realtek Semiconductor Corp.	Other related parties
Realtek Singapore Private Limited	Other related parties
Raymx Microelectronics Corp.	Other related parties

b. Sales of goods

Account Items	Related Parties Types	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2023	2022	2023	2022
Sales of goods	Other related parties	$ 309,073	$ 296,466	$ 525,569	$ 627,054
	Parent entity	29,649	20,232	45,665	65,197
		$ 338,722	$ 316,698	$ 571,234	$ 692,251

Sales transactions with related parties were made at the Corporation's usual list prices. The selling prices and collection terms for products sold to related parties were similar to those for products sold to third parties.

c. Purchase

Related Parties Types	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Parent entity	$ -	$ 6,614	$ -	$ 21,498
Fellow subsidiaries	-	-	-	4,547
	$ -	$ 6,614	$ -	$ 26,045

The prices and payment terms were negotiated and thus not comparable with those in the market.

d. Contract assets

Related Parties Types	June 30, 2023	December 31, 2022	June 30, 2022
Other related parties	$ 56,068	$ 36,209	$ 42,502
Parent entity	3,576	2,513	3,360
	$ 59,644	$ 38,362	$ 45,862

For the six months ended June 30, 2023 and 2022, and for the year ended December 31, 2022, no impairment loss was recognized for contract assets from related parties.

e. Manufacturing expenses

Related Parties Types	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Parent entity	$ 2,264	$ 737	$ 3,452	$ 9,680

The prices and payment terms were negotiated and thus not comparable with those in the market.

f. Trade receivables from related parties

Account Items	Related Parties Types	June 30, 2023	December 31, 2022	June 30, 2022
Trade receivables from related parties	Other related parties	$ 321,329	$ 143,852	$ 299,893
	Parent entity	38,471	25,478	35,865
		$ 359,800	$ 169,330	$ 335,758

g. Other receivables

Account Items	Related Parties Types	June 30, 2023	December 31, 2022	June 30, 2022
Prepaid expenses and other	Parent entity	$ 1,605	$ 1,149	$ 1,532
	Other related parties	1,155	328	561
		$ 2,760	$ 1,477	$ 2,093

h. Payables to related parties

Account Items	Related Parties Types	June 30, 2023	December 31, 2022	June 30, 2022
Trade payables	Parent entity	$ -	$ -	$ 5,688

i. Accrued expenses and other current liabilities

Account Items	Related Parties Types	June 30, 2023	December 31, 2022	June 30, 2022
Accrued expenses and other current liabilities	Parent entity	$ 1,256	$ 1,589	$ 2,077

j. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Short-term benefits	$ 36,192	$ 47,003	$ 50,948	$ 88,229
Post-employment benefits	48	46	96	118
	$ 36,240	$ 47,049	$ 51,044	$ 88,347

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged as collateral mainly for guarantee deposits for domestic sales, gas volume in CPC Corporation, and environmental protection of lease buildings.

	June 30, 2023	December 31, 2022	June 30, 2022
Pledge deposits (classified as other asset - noncurrent)	$ 118,700	$ 118,700	$ 108,700

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencie of the Corporation at June 30, 2023 was as follows:

a. Significant unrecognized commitments

1) In April 2022, Greatek signed a contract worth $414,000 thousand with Jian Ming Contractor Co., Ltd. to set up a dormitory. As of June 30, 2023, the Corporation has paid a total of $372,600 thousand.

2) In July 2022, Greatek signed a contract worth $418,000 thousand with Jiu Han System Technology Co., Ltd. to set up MEP systems of the dormitory. As of June 30, 2023, the Corporation has paid a total of $209,000 thousand.

31. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Corporation entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	June 30, 2023		
	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	86,450	31.090 (USD:NTD)	$ 2,687,740
HKD	1	3.944 (HKD:NTD)	3
			$ 2,687,743
Financial liabilities			
Monetary items			
USD	18,212	31.190 (USD:NTD)	$ 566,829
JPY	155,871	0.217 (JPY:NTD)	33,824
			$ 600,653
Non-monetary items			
USD	7,200	31.031 (USD:NTD)	$ 3,672

	December 31, 2022		
	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 68,840	30.660 (USD:NTD)	$ 2,110,652
HKD	1	3.971 (HKD:NTD)	3
			$ 2,110,655
Non-monetary items			
USD	2,500	30.613 (USD:NTD)	$ 1,009
Financial liabilities			
Monetary items			
USD	18,859	30.690 (USD:NTD)	$ 578,784
JPY	171,765	0.2344 (JPY:NTD)	40,262
EUR	34	32.920 (EUR:NTD)	1,103
			$ 620,149
Non-monetary items			
USD	2,500	30.613 (USD:NTD)	$ 250

	June 30, 2022		
	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 92,641	29.670 (USD:NTD)	$ 2,748,659
Non-monetary items			
USD	900	29.704 (USD:NTD)	$ 28
Financial liabilities			
Monetary items			
USD	21,118	29.770 (USD:NTD)	$ 628,687
JPY	277,153	0.2202 (JPY:NTD)	61,029
EUR	214	31.250 (EUR:NTD)	6,702
			$ 696,418
Non-monetary items			
USD	7,300	29.704 (USD:NTD)	$ 2,050

For the three and six months ended June 30, 2023 and 2022, realized and unrealized net foreign exchange gains were $56,337 thousand, $100,757 thousand, $42,560 housand and $180,738 thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Corporation entities.

32. SEPARATELY DISCLOSED ITEMS

Information about significant transactions and investees:

a. Loans provided to other parties: None.

b. Endorsement/guarantee provided: None.

c. Marketable securities held: Table 1 (attached).

d. Purchases or sales of the same marketable securities amounting to at least NT$300 million or 20% of the paid-in capital: None.

e. Acquisition of individual real estate at costs of at least $300 million or 20% of the paid-in capital: None.

f. Disposal of individual real estate at prices of at least $300 million or 20% of the paid-in capital: None.

g. Total purchases from or sales to related parties of at least $100 million or 20% of the paid-in capital: Table 2 (attached).

h. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3 (attached).

i. Derivative transactions: Note 7.

j. Information of intercompany relationships and significant intercompany transactions: Table 4 (attached).

k. Names, locations, and related information of investees over which the Corporation exercises significant influence: Table 5 (attached).

l. Information on investment in mainland China: None.

m. Information of major shareholders: Table 6 (attached).

33. SEGMENT INFORMATION

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

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2023
(In Thousands of New Taiwan Dollars)

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2023				Note
				Shares (Thousands)	Carrying Value	% of Ownership	Fair Value	
	Bond							
	P08 Taipower 3A	-	Financial assets at amortized cost - current	50	$ 50,000	-	$ 50,024	Note 1
	P08 Taipower 3A	-	Financial assets at amortized cost - noncurrent	50	50,000	-	50,024	Note 1
	Stock							
	Powertech Technology Inc.	Parent entity	Financial assets at fair value through other comprehensive profit or loss - noncurrent	11,800	1,239,000	2	1,239,000	Note 2
	SAMHOP Microelectronics Corp.	-	Financial assets at fair value through profit or loss - noncurrent	268	-	3	-	Note 3
	Terawins Inc.	-	Financial assets at fair value through profit or loss - noncurrent	643	-	2	-	Note 3
	Airwave Technologies Inc.	-	Financial assets at fair value through profit or loss - noncurrent	93	-	1	-	Note 3

Note 1: The fair value was based on trading market in hundreds of new Taiwan dollars as of June 30, 2023.

Note 2: The fair value of common shares was based on stock closing price as of June 30, 2023.

Note 3: The fair value was based on the carrying value as of as of June 30, 2023.

Note 4: As of March 31, 2023, the above marketable securities had not been pledged or mortgaged.

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Greatek Electronics Inc.	Realtek Semiconductor Corp.	Parent company of the corporate director	Sale	$ 342,147	5	Net 60 days from monthly closing dates	Note	-	$ 227,557	8	-
	Realtek Singapore Private Limited	Same parent company with the corporate director	Sale	182,610	3	Net 60 days from monthly closing dates	Note	-	93,771	3	-

Note : Sales transactions with related parties were made at the Corporation’s usual list prices.

TABLE 3

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

RECEIVABLE FROM RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Greatek Electronics Inc.	Realtek Semiconductor Corp.	Parent company of the corporate director	$ 227,557	4.35	$ -	-	$ 75,919	$ -

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Transaction Flow (Note 1)	Intercompany Transactions			
			Financial Statement Item	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
Greatek Electronics Inc.	Get-Team Tech Corporation	1	Subcontract costs	$ 57,040	Note 2	1%
	Get-Team Tech Corporation	1	Accounts payables	44,096	Note 2	-

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

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

TABLE 5

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2023	December 31, 2022	Number of Shares	% of Ownership	Carrying Value			
Greatek Electronics Inc.	Get-Team Tech Corporation	Hsinchu	Metal plating on semiconductor lead frame	$ 171,523	$ 171,523	7,796,498	97.46	$ 157,265	$ (4,095)	$ (7,121)	Subsidiary

TABLE 6

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Powertech Technology Inc.	244,064,379	42.91