

**Greatek Electronics Inc. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2023 and 2022 and  
Independent Auditors' Report**

**DECLARATION OF CONSOLIDATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES**

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated financial statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard 10 “Consolidated financial statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Greatek Electronics Inc.

By:

---

BORIS HSIEH  
Chairman

February 23 2024

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Greatek Electronics Inc.

### **Opinion**

We have audited the accompanying consolidated financial statements of Greatek Electronics Inc. and its subsidiaries (the "Corporation"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2023 and 2022, its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements of the Corporation for the year ended December 31, 2023, are described as follows:

#### Contract assets and revenue recognition

1. The sales revenue is material to the Corporation. Please refer to Note 21 to the accompanying consolidated financial statements for details on sales revenue. The types of transactions include:
  - 1) Semiconductor assembly

- 2) Semiconductor testing
- 3) Wafer testing
2. Assembly services: Since the customers have ownership of the assets, assume significant risks and rewards of ownership of the assets, have the right to determine the disposal of the assets and can prevent the Corporation from obtaining the benefits of the assets, revenue should be recognized over time in accordance with the requirements of paragraph 35(b) of International Financial Reporting Standards No. 15.
3. Testing services: In accordance with the requirements of paragraph 35(a) of International Financial Reporting Standards No. 15. As the Corporation conducts testing services, the customers obtain and consume the benefits provided by the Corporation's testing services at the same time. Therefore, revenue should also be recognized over time as well.
4. The Corporation recognizes the contract assets and revenue of assembly and testing services at the end of each month based on the completion schedule. Since the above-mentioned process includes estimates and manual controls, there is a risk that contract assets and revenue may not be recognized correctly as a result of human error.
5. We reviewed the Corporation's revenue recognition policy, assessed the reasonableness of its contract assets and revenue recognition, and confirmed against relevant supporting documents and accounts records to verify the accuracy of the monetary amounts of contract assets and revenue recognition.

#### **Other Matter**

We have also audited the financial statements of Greatek Electronics Inc. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 23, 2024

*Notice to Readers*

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. The English version have not audited 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' report and consolidated financial statements shall prevail.*

## GREATEK ELECTRONICS INC. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022		LIABILITIES AND EQUITY	2023		2022	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,727,979	19	\$ 3,835,529	16	Financial liabilities at fair value through profit or loss - current (Notes 4, 5 and 7)	\$ 6	-	\$ 250	-
Financial assets at fair value through profit or loss - current (Notes 4, 5 and 7)	1,978	-	29,218	-	Contract liabilities - current (Notes 4 and 21)	112,686	1	200,206	1
Financial assets at amortized cost - current (Notes 4, 5 and 9)	50,000	-	50,000	-	Notes payable	3,773	-	6,563	-
Contract assets - current (Notes 4, 21 and 28)	741,563	3	883,364	3	Accounts payable	647,650	3	406,546	2
Notes receivable (Notes 4, 5, 10 and 21)	16,338	-	44,579	-	Payables to equipment suppliers (Notes 4 and 28)	251,727	1	161,826	1
Accounts receivable (Notes 4, 5, 10 and 21)	2,391,859	10	1,999,706	8	Accrued compensation to employees and remuneration to directors (Notes 4 and 22)	351,971	1	510,689	2
Receivables from related parties (Notes 4, 5, 21 and 28)	397,557	2	169,330	1	Current income tax liabilities (Notes 4 and 23)	82,063	-	248,310	1
Inventories (Notes 4 and 11)	1,006,081	4	1,425,007	6	Lease liabilities - current (Notes 4 and 14)	8,554	-	8,487	-
Prepaid expenses and other current assets (Notes 4, 16 and 28)	139,297	1	220,611	1	Accrued expenses and other current liabilities (Notes 4, 17 and 28)	1,115,633	5	1,313,711	5
Total current assets	<u>9,472,652</u>	<u>39</u>	<u>8,657,344</u>	<u>35</u>	Guarantee deposits - current (Note 18)	70,622	-	70,518	-
					Total current liabilities	<u>2,644,685</u>	<u>11</u>	<u>2,927,106</u>	<u>12</u>
<b>NON-CURRENT ASSETS</b>					<b>NON-CURRENT LIABILITIES</b>				
Financial assets at fair value through other comprehensive income - non-current (Note 4 and 8)	1,663,800	7	934,560	4	Deferred income tax liabilities (Notes 4 and 23)	10,169	-	11,522	-
Financial assets at amortized cost - noncurrent (Notes 4, 5 and 9)	-	-	50,000	-	Lease liabilities - noncurrent (Notes 4 and 14)	30,554	-	39,108	-
Property, plant and equipment (Notes 4 and 13)	13,115,915	53	14,516,540	60	Guarantee deposits - noncurrent (Note 18)	264,846	1	334,977	1
Right-of-use assets (Notes 4 and 14)	37,022	-	45,712	-	Net defined benefit liability - noncurrent (Notes 4 and 19)	29,597	-	210,628	1
Intangible assets (Notes 4, 15 and 25)	81,237	-	97,619	-	Total non-current liabilities	<u>335,166</u>	<u>1</u>	<u>596,235</u>	<u>2</u>
Deferred income tax assets (Notes 4 and 23)	14,812	-	2,807	-	Total liabilities	<u>2,979,851</u>	<u>12</u>	<u>3,523,341</u>	<u>14</u>
Other noncurrent assets (Notes 4, 16 and 29)	127,218	1	127,653	1	<b>EQUITY (Notes 4, 20 and 26)</b>				
Total non-current assets	<u>15,040,004</u>	<u>61</u>	<u>15,774,891</u>	<u>65</u>	<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>				
					Capital stock				
					Common stock	5,688,459	23	5,688,459	23
					Capital surplus	2,539	-	2,282	-
					Retained earnings				
					Legal reserve	4,297,180	17	3,984,926	16
					Special reserve	157,984	1	-	-
					Unappropriated earnings	10,812,748	44	11,388,066	47
					Other equity	571,256	3	(157,984)	-
					Total equity attributable to shareholders of the Parent	21,530,166	88	20,905,749	86
					<b>NON-CONTROLLING INTERESTS</b>				
						2,639	-	3,145	-
					Total equity	<u>21,532,805</u>	<u>88</u>	<u>20,908,894</u>	<u>86</u>
<b>TOTAL</b>	<u>\$ 24,512,656</u>	<u>100</u>	<u>\$ 24,432,235</u>	<u>100</u>	<b>TOTAL</b>	<u>\$ 24,512,656</u>	<u>100</u>	<u>\$ 24,432,235</u>	<u>100</u>

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

## GREATEK ELECTRONICS INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
NET SALES (Notes 4, 21, 28 and 33)	\$ 13,570,076	100	\$ 15,950,309	100
OPERATING COSTS (Notes 11, 19, 22 and 28)	<u>10,740,105</u>	<u>79</u>	<u>11,720,008</u>	<u>73</u>
GROSS PROFIT	<u>2,829,971</u>	<u>21</u>	<u>4,230,301</u>	<u>27</u>
OPERATING EXPENSES (Notes 19,22 and 28)				
Selling and marketing	53,069	-	66,307	-
General and administrative	245,520	2	269,242	2
Research and development	<u>247,563</u>	<u>2</u>	<u>252,072</u>	<u>2</u>
Total operating expenses	<u>546,152</u>	<u>4</u>	<u>587,621</u>	<u>4</u>
OPERATING INCOME	<u>2,283,819</u>	<u>17</u>	<u>3,642,680</u>	<u>23</u>
NONOPERATING INCOME AND EXPENSES (Notes 4 and 22)				
Interest income	73,788	1	36,592	-
Other income	131,014	1	143,525	1
Other gains and losses	<u>22,133</u>	<u>-</u>	<u>204,258</u>	<u>1</u>
Total nonoperating income and expenses	<u>226,935</u>	<u>2</u>	<u>384,375</u>	<u>2</u>
INCOME BEFORE INCOME TAX	2,510,754	19	4,027,055	25
INCOME TAX EXPENSE (Notes 4 and 23)	<u>514,136</u>	<u>4</u>	<u>869,071</u>	<u>5</u>
NET INCOME	<u>1,996,618</u>	<u>15</u>	<u>3,157,984</u>	<u>20</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 19)	2,526	-	(35,628)	-
Unrealized loss on investments in equity instruments designated as at fair value through other comprehensive income (Notes 4 and 20)	<u>729,240</u>	<u>5</u>	<u>(202,468)</u>	<u>(2)</u>
	<u>731,766</u>	<u>5</u>	<u>(238,096)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,728,384</u>	<u>20</u>	<u>\$ 2,919,888</u>	<u>18</u>

(Continued)



## GREATEK ELECTRONICS INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO				
Shareholders of the Parent	\$ 1,997,124	15	\$ 3,158,170	20
Non-controlling interests	<u>(506)</u>	<u>-</u>	<u>(186)</u>	<u>-</u>
	<u>\$ 1,996,618</u>	<u>15</u>	<u>\$ 3,157,984</u>	<u>20</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Shareholders of the Parent	\$ 2,728,890	20	\$ 2,920,074	18
Non-controlling interests	<u>(506)</u>	<u>-</u>	<u>(186)</u>	<u>-</u>
	<u>\$ 2,728,384</u>	<u>20</u>	<u>\$ 2,919,888</u>	<u>18</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 3.51</u>		<u>\$ 5.55</u>	
Diluted	<u>\$ 3.47</u>		<u>\$ 5.44</u>	

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

(Concluded)

**GREATEK ELECTRONICS INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Shareholders of the Corporation						Other Equity Unrealized Gain (Loss) on Investments in Equity Instruments at Fair Value Through Other Comprehensive Income	Total	Noncontrolling Interest	Total Shareholders' Equity
	Share Capital Issued and Outstanding		Capital Surplus	Retained Earnings						
	Share (Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings				
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 year ended December 31, 2022	-	-	-	-	-	3,158,170	-	3,158,170	(186)	3,157,984
Other comprehensive income (loss) for the year ended December 31, 2022 , net of income tax	-	-	-	-	-	(35,628)	(202,468)	(238,096)	-	(238,096)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	3,122,542	(202,468)	2,920,074	(186)	2,919,888
Additional non-controlling interests recognized on acquisition of subsidiary	-	-	-	-	-	-	-	-	3,331	3,331
BALANCE, DECEMBER 31, 2022	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	-	-	257	-	-	-	-	257	-	257
Net income for the year ended December 31, 2023	-	-	-	-	-	1,997,124	-	1,997,124	(506)	1,996,618
Other comprehensive income (loss) for the year ended December 31, 2023 , net of income tax	-	-	-	-	-	2,526	729,240	731,766	-	731,766
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,999,650	729,240	2,728,890	(506)	2,728,384
BALANCE, DECEMBER 31, 2023	<u>568,846</u>	<u>\$ 5,688,459</u>	<u>\$ 2,539</u>	<u>\$ 4,297,180</u>	<u>\$ 157,984</u>	<u>\$ 10,812,748</u>	<u>\$ 571,256</u>	<u>\$ 21,530,166</u>	<u>\$ 2,639</u>	<u>\$ 21,532,805</u>

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

# GREATEK ELECTRONICS INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Current income before income tax	\$ 2,510,754	\$ 4,027,055
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation	3,092,609	3,080,163
Amortization	20,551	26,628
Net (gain) loss on fair value change of financial instruments designated as at fair value through profit or loss	(3,431)	20,727
Finance costs	1,027	775
Interest income	(73,788)	(36,592)
Dividend income	(82,600)	(75,888)
Net loss (gain) on disposal of property, plant and equipment	248	(729)
Classification from property, plant and equipment to expenses	-	2
Recognition of inventory valuation and obsolescence losses	-	75,000
Net loss (gain) on foreign currency exchange	19,133	(44,192)
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss	30,427	31,250
Decrease in contract assets	141,801	12,764
Decrease in notes receivable	28,241	110,832
(Increase) decrease in accounts receivable	(437,130)	1,783,614
(Increase) decrease in accounts receivable from related parties	(228,227)	266,468
Decrease (increase) in inventories	418,926	(133,113)
Decrease in prepaid expenses and other current assets	82,480	9,303
(Decrease) increase in contract liabilities	(87,520)	35,382
(Decrease) increase in notes payable	(2,790)	3,217
Increase (decrease) in accounts payable	247,735	(995,129)
Decrease in accrued compensation to employees and remuneration to directors	(158,718)	(247,912)
Decrease in accrued expenses and other accounts payable	(198,078)	(113,795)
Decrease in net defined benefit liability	(178,505)	(76,448)
Cash generated from operations	5,143,145	7,759,382
Interest received	72,622	38,020
Interest paid	(1,027)	(775)
Income tax paid	(693,741)	(1,409,220)
Net cash provided by operating activities	<u>4,520,999</u>	<u>6,387,407</u>

(Continued)

# GREATEK ELECTRONICS INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (160,028)
Proceeds from financial assets at amortized cost	50,000	400,000
Net cash outflow on acquisition of subsidiary	-	(127,194)
Acquisition of property, plant and equipment	(1,590,969)	(4,392,842)
Disposal of property, plant and equipment	10	1,037
Increase in refundable deposits	435	(760)
Increase in intangible assets	(4,169)	(11,495)
Increase in other non-current assets	-	(10,000)
Dividend received	<u>82,600</u>	<u>75,888</u>
Net cash used in investing activities	<u>(1,462,093)</u>	<u>(4,225,394)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Decrease) increase in guarantee deposits	(66,861)	390,164
Repayment of the principal portion of lease liabilities	(8,487)	(2,824)
Cash dividends distributed	(2,104,730)	(2,844,230)
Donations from shareholders	<u>257</u>	<u>-</u>
Net cash used in financing activities	<u>(2,179,821)</u>	<u>(2,456,890)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>13,365</u>	<u>83,277</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	892,450	(211,600)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>3,835,529</u>	<u>4,047,129</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 4,727,979</u>	<u>\$ 3,835,529</u>

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

(Concluded)

# GREATEK ELECTRONICS INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

---

### 1. GENERAL INFORMATION

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

Greatek’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 December 31, 2023 and 2022.

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

### 2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved to the Board of Directors and issued on February 23, 2024.

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

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

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

- b. The IFRSs endorsed by the FSC for application starting from 2024

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

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

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

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

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

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

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

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Corporation is continuously assessing the possible impact of the application of other standards and interpretations on the Corporation's 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

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

- b. Basis of preparation

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

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

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

- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
  - 3) Level 3 inputs are unobservable inputs for the asset or liability.
- c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within twelve months after the reporting period; and
- 3) Cash.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period, and
- 3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

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

- d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of 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).

- e. Business combinations

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

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

any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

f. Foreign currencies

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

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

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

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

Except for the exchange differences on transactions entered into in hedging against certain foreign currency risks, exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

g. Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to Corporation similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost.

h. Property, plant, and equipment

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

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Freehold land is not depreciated.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

i. Goodwill

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



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

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

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

j. Intangible assets

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

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

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

k. Impairment of tangible and intangible assets other than goodwill and assets related to contract costs

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

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

Before the Corporation recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Corporation expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-

generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

## 1. Financial instruments

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

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

### 1) Financial assets

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

#### a) Measurement category

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

##### i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 27.

##### ii. Financial assets at amortized cost

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash, debt investments, time deposits with original maturities of more than 3 months, notes and accounts receivable (included related parties), other receivables (included related parties), pledged time deposits and refundable deposits, are measured at amortized cost, which equals the gross

carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

The Corporation always recognizes lifetime expected credit losses (i.e. ECLs) for accounts receivable and contract assets. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

The Corporation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

3) Financial liabilities

a) Subsequent measurement

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

i. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 27.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

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

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial

instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

m. Provisions

Provisions, including those arising from contractual obligation specified in service concession arrangement to maintain or restore infrastructure before it is handed over to the grantor, are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions, including 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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

n. Revenue recognition

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

Revenue from services

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. A contract asset is recognized during the process of semiconductor assembling and testing, and is reclassified to accounts receivable at the point the bills were issued. It is recognized as contract asset until the Corporation satisfies its performance.

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

o. Leasing

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

1) The Corporation as lessor

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Corporation as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Government grants

Government grants are recognized only when there is reasonable assurance that the entity will comply with any conditions attached to the grant and the grant will be received.

The grants are recognized as other income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

Grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, should be recognized as income in the period in which it is receivable.

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

r. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred tax for the year

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

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

### Critical Accounting Judgements

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.

### Key Sources of Estimation Uncertainty

#### a. Estimated impairment of financial assets

The provision for impairment of accounts receivable and investments in debt instruments is based on assumptions about risk of default and expected loss rates. The Corporation uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Corporation's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

#### b. Fair value measurements and valuation processes

For the Corporation's assets and liabilities measured at fair value that have no quoted prices in an active market, the Corporation should determine whether to engage third party qualified valuers and to determine the appropriate valuation techniques for fair value measurement.

Information about the valuation techniques and inputs used in determining the fair values of various assets and liabilities is disclosed in Note 27.

## 6. CASH

	<u>December 31</u>	
	2023	2022
Bank deposits	<u>\$ 4,727,979</u>	<u>\$ 3,835,529</u>

The market rate intervals at the end of the reporting period were as follows:

	<u>December 31</u>	
	2023	2022
Bank deposits	0.55%-5.15%	0.31%-4.35%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2023	2022
<u>Financial assets at FVTPL - current</u>		
Financial assets held for trading - current		



Non-derivative financial assets		
Mutual funds	\$ -	\$ 28,209
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	<u>1,978</u>	<u>1,009</u>
	<u>\$ 1,978</u>	<u>\$ 29,218</u>

Financial liabilities at FVTPL - current

Financial liabilities held for trading - current

Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	<u>\$ 6</u>	<u>\$ 250</u>

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

	Currency	Maturity Date	Contract Amounts (In Thousands)
<u>December 31, 2023</u>			
Sell forward exchange contracts	USD to NTD	2024.01.11-2024.01.16	USD 3,600 / NTD112,236
<u>December 31, 2022</u>			
Sell forward exchange contracts	USD to NTD	2023.01.11-2023.02.13	USD 5,000 / NTD153,827

The Corporation entered into foreign exchange forward contracts during the 2023 and 2022 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**

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Noncurrent</u>		
Domestic investments		
Listed shares		
Ordinary shares - Powertech Technology Inc.	<u>\$ 1,663,800</u>	<u>\$ 934,560</u>

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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Domestic investments		
Corporate bonds - P08 Taiwan Power Company 3A Bond	<u>\$ 50,000</u>	<u>\$ 50,000</u>
<u>Noncurrent</u>		
Domestic investments		
Corporate bonds - P08 Taiwan Power Company 3A Bond	<u>\$ -</u>	<u>\$ 50,000</u>

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

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

## 10. NOTES AND ACCOUNTS RECEIVABLE, NET

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	<u>\$ 16,338</u>	<u>\$ 44,579</u>
<u>Accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 2,452,359	\$ 2,060,206
Less: Allowance for impairment loss	<u>(60,500)</u>	<u>(60,500)</u>
	<u>\$ 2,391,859</u>	<u>\$ 1,999,706</u>

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 indicates different loss patterns for different customer segments, the provision for loss allowance

based on past due status is therefore 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.

#### December 31, 2023

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$ 2,443,616	\$ 7,206	\$ 149	\$ 126	\$ 1,262	\$ 2,452,359
Loss allowance (Lifetime ECL)	<u>(51,757)</u>	<u>(7,206)</u>	<u>(149)</u>	<u>(126)</u>	<u>(1,262)</u>	<u>(60,500)</u>
Amortized cost	<u>\$ 2,391,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,391,859</u>

#### December 31, 2022

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

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

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 60,500	\$ 60,169
Add: Acquisition of subsidiary	<u>-</u>	<u>331</u>
Balance at December 31	<u>\$ 60,500</u>	<u>\$ 60,500</u>

## 11. INVENTORIES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Raw materials	\$ 889,772	\$ 1,289,560
Supplies	<u>116,309</u>	<u>135,447</u>
	<u>\$ 1,006,081</u>	<u>\$ 1,425,007</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Provision of inventory valuation and obsolescence losses	\$ -	\$ 75,000
Unallocated overheads	<u>\$ 898,842</u>	<u>\$ 703,356</u>
Sales of scrapes	<u>(64,667)</u>	<u>(79,034)</u>
Operating Costs	<u>\$ 10,740,105</u>	<u>\$ 11,720,008</u>

## 12. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			2023	2022	
Greatek Electronics Inc.	Get-Team Tech Corporation (Get-Team)	Metal plating on semiconductor lead frame	97.46	97.46	Note 1

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.

## 13. PROPERTY, PLANT AND EQUIPMENT

For the Year Ended December 31, 2022										
	Land	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Installation	Construction in Progress	Spare Parts	Total
<b>Cost</b>										
Balance, beginning of year	\$ 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	94,973	297,200	1,036,256	4,741	27,819	92,206	729,804	1,027,987	368,939	3,679,925
Acquisitions through business combinations (note 25)	8,946	9,527	123,965	3,042	57	13,700	10,578	-	-	169,815
Disposals	-	(1,764)	(1,909,185)	-	-	-	-	-	(369,799)	(2,280,748)
Reclassified	97	546,312	768,402	-	-	11,850	(780,254)	(546,409)	-	(2)
Balance, end of year	<u>1,981,352</u>	<u>4,817,450</u>	<u>19,956,436</u>	<u>28,481</u>	<u>150,278</u>	<u>656,832</u>	<u>835,990</u>	<u>1,983,196</u>	<u>258,547</u>	<u>30,668,562</u>
<b>Accumulated depreciation</b>										
Balance, beginning of year	-	2,236,853	12,504,832	11,592	71,251	402,304	-	-	-	15,226,832
Additions	-	251,644	2,384,667	3,580	17,619	49,974	-	-	369,799	3,077,283
Acquisitions through business combinations (note 25)	-	4,512	113,348	864	48	9,575	-	-	-	128,347
Disposals	-	(1,764)	(1,908,877)	-	-	-	-	-	(369,799)	(2,280,440)
Balance, end of year	-	<u>2,491,245</u>	<u>13,093,970</u>	<u>16,036</u>	<u>88,918</u>	<u>461,853</u>	-	-	-	<u>16,152,022</u>
Net book value, end of year	<u>\$ 1,981,352</u>	<u>\$ 2,326,205</u>	<u>\$ 6,862,466</u>	<u>\$ 12,445</u>	<u>\$ 61,360</u>	<u>\$ 194,979</u>	<u>\$ 835,990</u>	<u>\$ 1,983,196</u>	<u>\$ 258,547</u>	<u>\$14,516,540</u>
For the Year Ended December 31, 2023										
	Land	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Installation	Construction in Progress	Spare Parts	Total
<b>Cost</b>										
Balance, beginning of year	\$ 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	-	234,517	350,766	-	15,744	65,228	297,455	382,624	337,218	1,683,552
Disposals	-	-	(4,913,498)	(810)	(37,645)	(111,970)	-	-	(337,861)	(5,401,784)
Reclassified	-	1,587,691	761,815	-	8,531	35,051	(805,397)	(1,558,769)	-	-
Balance, end of year	<u>1,981,352</u>	<u>6,639,658</u>	<u>16,155,519</u>	<u>27,671</u>	<u>136,908</u>	<u>645,141</u>	<u>328,048</u>	<u>778,129</u>	<u>257,904</u>	<u>26,950,330</u>
<b>Accumulated depreciation</b>										
Balance, beginning of year	-	2,491,245	13,093,970	16,036	88,918	461,853	-	-	-	16,152,022
Additions	-	399,241	2,261,410	3,777	18,523	63,107	-	-	337,861	3,083,919
Disposals	-	-	(4,913,498)	(810)	(37,645)	(111,712)	-	-	(337,861)	(5,401,526)
Balance, end of year	-	<u>2,890,486</u>	<u>10,441,882</u>	<u>19,003</u>	<u>69,796</u>	<u>413,248</u>	-	-	-	<u>13,834,415</u>
Net book value, end of year	<u>\$ 1,981,352</u>	<u>\$ 3,749,172</u>	<u>\$ 5,713,637</u>	<u>\$ 8,668</u>	<u>\$ 67,112</u>	<u>\$ 231,893</u>	<u>\$ 328,048</u>	<u>\$ 778,129</u>	<u>\$ 257,904</u>	<u>\$13,115,915</u>

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

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 years

## 14. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amounts</u>		
Building	\$ 26,262	\$ 33,265
Machinery and Equipment	<u>10,760</u>	<u>12,447</u>
	<u>\$ 37,022</u>	<u>\$ 45,712</u>
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 22,485</u>
<u>Depreciation charge for right-of-use assets</u>		
Building	\$ 7,003	\$ 1,468
Machinery and Equipment	<u>1,687</u>	<u>1,412</u>
	<u>\$ 8,690</u>	<u>\$ 2,880</u>

### b. Lease liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amounts</u>		
Current	<u>\$ 8,554</u>	<u>\$ 8,487</u>
Non-current	<u>\$ 30,554</u>	<u>\$ 39,108</u>

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Building	2.525%	2.525%
Machinery and equipment	1.695%-2.300%	1.695%-2.300%

### 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

	<b>For the Year Ended December 31, 2022</b>			
	<b>Goodwill</b>	<b>Trade secret</b>	<b>Computer Software</b>	<b>Total</b>
<u>Cost</u>				
Balance, beginning of year	\$ -	\$ -	\$ 147,155	\$ 147,155
Additions	-	-	11,495	11,495
Acquisitions through business combinations	17,896	41,383	-	59,279
Disposals	<u>-</u>	<u>-</u>	<u>(65,958)</u>	<u>(65,958)</u>
Balance, end of year	<u>17,896</u>	<u>41,383</u>	<u>92,692</u>	<u>151,971</u>
<u>Accumulated amortization</u>				
Balance, beginning of year	-	-	93,682	93,682
Additions	-	1,035	25,593	26,628
Disposals	<u>-</u>	<u>-</u>	<u>(65,958)</u>	<u>(65,958)</u>
Balance, end of year	<u>-</u>	<u>1,035</u>	<u>53,317</u>	<u>54,352</u>
Net book value, end of year	<u>\$ 17,896</u>	<u>\$ 40,348</u>	<u>\$ 39,375</u>	<u>\$ 97,619</u>
	<b>For the Year Ended December 31, 2023</b>			
	<b>Goodwill</b>	<b>Trade secret</b>	<b>Computer Software</b>	<b>Total</b>
<u>Cost</u>				
Balance, beginning of year	\$ 17,896	\$ 41,383	\$ 92,692	\$ 151,971
Additions	-	-	4,169	4,169
Disposals	<u>-</u>	<u>-</u>	<u>(32,349)</u>	<u>(32,349)</u>
Balance, end of year	<u>-</u>	<u>-</u>	<u>64,512</u>	<u>123,791</u>
<u>Accumulated amortization</u>				
Balance, beginning of year	-	1,035	53,317	54,352
Additions	-	4,139	16,412	20,551
Disposals	<u>-</u>	<u>-</u>	<u>(32,349)</u>	<u>(32,349)</u>
Balance, end of year	<u>-</u>	<u>5,174</u>	<u>37,380</u>	<u>42,554</u>
Net book value, end of year	<u>\$ 17,896</u>	<u>\$ 36,209</u>	<u>\$ 27,132</u>	<u>\$ 81,237</u>

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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Tax overpaid	\$ 43,923	\$ 131,520
Inventory of supplies	38,295	33,187
Other receivables	19,435	16,786
Tax refund receivables	13,189	17,820
Others (a)	<u>24,455</u>	<u>21,298</u>
	<u>\$ 139,297</u>	<u>\$ 220,611</u>
<u>Non-current</u>		
Pledged deposits (b)	\$ 118,700	\$ 118,700
Refundable deposits	<u>8,518</u>	<u>8,953</u>
	<u>\$ 127,218</u>	<u>\$ 127,653</u>

- a. Other current assets include payment on behalf of others, prepaid insurances, prepayments in advance, interest receivable, prepaid rents, and temporary debits.
- b. Pledge deposits are guarantee deposits for domestic sales, gas volume in CPC Corporation, and environmental protection of lease buildings.

## 17. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Accrued expenses		
Bonus	\$ 707,093	\$ 864,676
Labor and health insurance	61,358	58,534
Indemnification payable (a)	35,664	131,408
Utilities	49,522	40,368
Others (b)	<u>228,059</u>	<u>174,320</u>
	<u>1,081,696</u>	<u>1,269,306</u>
Other current liabilities		
Behalf of the collection	19,035	22,190
Temporary receipts	<u>14,902</u>	<u>22,215</u>
	<u>33,937</u>	<u>44,405</u>
	<u>\$ 1,115,633</u>	<u>\$ 1,313,711</u>

- a. Indemnification payable are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- b. Other accrued expenses include accrued spare parts, benefit retirement, utilization of the foreign employment security, and services.

## 18. GUARANTEE DEPOSITS

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Capacity guarantee	\$ 335,452	\$ 405,479
Others	<u>16</u>	<u>16</u>
	<u>\$ 335,468</u>	<u>\$ 405,495</u>
Current	<u>\$ 70,622</u>	<u>\$ 70,518</u>
Non-current	<u>\$ 264,846</u>	<u>\$ 334,977</u>

## 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.

### b. Defined benefit plans

The defined benefit plan adopted by the Corporation in accordance with the Labor Standards Law which 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.

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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Present value of funded defined benefit obligation	\$ 34,674	\$ 501,391
Fair value of plan assets	<u>(5,077)</u>	<u>(290,763)</u>
Net defined benefit liability	<u>\$ 29,597</u>	<u>\$ 210,628</u>



Movements in net defined benefit liability were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liability (Asset)</b>
Balance at January 1, 2022	\$ 461,939	\$ (210,491)	\$ 251,448
Service cost			
Current service cost	827	-	827
Net interest expense (income)	3,234	(1,473)	1,761
Recognized in profit or loss	<u>4,061</u>	<u>(1,473)</u>	<u>2,588</u>
Remeasurement			
Actuarial loss (gain) - experience adjustments	62,756	(15,914)	46,842
Actuarial (gain)- changes in financial assumptions	<u>(11,214)</u>	<u>-</u>	<u>(11,214)</u>
Recognized in other comprehensive income	<u>51,542</u>	<u>(15,914)</u>	<u>35,628</u>
Contributions from the employer	<u>-</u>	<u>(79,036)</u>	<u>(79,036)</u>
Benefits paid	<u>(16,151)</u>	<u>16,151</u>	<u>-</u>
Balance at December 31, 2022	<u>501,391</u>	<u>(290,763)</u>	<u>210,628</u>
Service cost			
Current service cost	851	-	851
Settlement of employee benefit obligations	(79,598)	-	(79,598)
Net interest expense (income)	7,019	(4,070)	2,949
Recognized in profit or loss	<u>(71,728)</u>	<u>(4,070)</u>	<u>(75,798)</u>
Remeasurement			
Actuarial loss (gain) - experience adjustments	(2,010)	(683)	(2,693)
Actuarial (gain)- changes in financial assumptions	<u>167</u>	<u>-</u>	<u>167</u>
Recognized in other comprehensive income	<u>(1,843)</u>	<u>(683)</u>	<u>(2,526)</u>
Contributions from the employer	<u>-</u>	<u>(3,055)</u>	<u>(3,055)</u>
Benefits paid	<u>(293,494)</u>	<u>293,494</u>	<u>-</u>
Payment by Corporation	<u>(99,652)</u>	<u>-</u>	<u>(99,652)</u>
Balance at December 31, 2023	<u>\$ 34,674</u>	<u>\$ (5,077)</u>	<u>\$ 29,597</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Operating costs	\$ (67,799)	\$ 2,344
Selling and marketing expenses	\$ (798)	\$ 29
General and administrative expenses	\$ (2,307)	\$ 72
Research and development expenses	\$ (4,894)	\$ 143

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

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

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

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rates	1.10%	1.40%
Expected rates of salary increase	3.50%	3.50%
Mortality rate	Taiwan's life insurance industry Mining parent 5th round experience life table	Taiwan's life insurance industry Mining parent 5th round experience life table
Return on plan assets	1.10%	1.40%

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rate(s)		
0.25% increase	<u>\$ (139)</u>	<u>\$ (12,793)</u>
0.25% decrease	<u>\$ 141</u>	<u>\$ 13,263</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 77</u>	<u>\$ 11,741</u>
0.25% decrease	<u>\$ (76)</u>	<u>\$ (11,407)</u>

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
The expected contributions to the plan for the next year	<u>\$ 151</u>	<u>\$ 8,163</u>
The average duration of the defined benefit obligation	2 years	11 years

## 20. EQUITY

### a. Ordinary shares

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

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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>		
Share premium	\$ 1,647	\$ 1,647
<u>May be used to offset a deficit only</u>		
Donations from shareholders	<u>892</u>	<u>635</u>
	<u>\$ 2,539</u>	<u>\$ 2,282</u>

The premium from shares issued in excess of par and donations from shareholders 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 dividend policy as set forth in the amended Articles, Greatek 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).

Greatek's dividends policy is accordance with its Articles of incorporation taking into account the current's earnings status. 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.

Greatek's 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:

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

Greatek's appropriations of earnings for 2023 had been proposed by the board of directors on February 23, 2024. The appropriations and dividends per share were as follows:

	<u>Appropriation of Earnings</u>	<u>Dividends Per Share</u>
Legal reserve	\$ 199,965	\$ -
Special reserve	( 157,984)	-
Cash dividends	1,422,115	2.5

The appropriations of earnings for 2023 are subject to the resolution of the shareholders meeting to be held on May 27, 2024.

d. Special reserve

	<u>For the Three Months Ended December 31, 2023</u>
Balance at January 1	\$ -
Appropriation in respect of Debit to other equity items	<u>157,984</u>
Balance at December 31	<u>\$ 157,984</u>

e. Other equity items

Unrealized gain (loss) on financial assets at FVTOCI

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ (157,984)	\$ 44,484
Other comprehensive (loss) income recognized during the period		
Unrealized gain - equity instruments	<u>729,240</u>	<u>(202,468)</u>
Balance at December 31	<u>\$ 571,256</u>	<u>\$ (157,984)</u>

f. Non-controlling interests

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 3,145	\$ -
Share in loss for the year	(506)	(186)
Additional non-controlling interests recognized on acquisition of subsidiary	<u>-</u>	<u>3,331</u>
Balance at December 31	<u>\$ 2,639</u>	<u>\$ 3,145</u>

## 21. REVENUE

a. Contract information

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers		
Revenue from assembly service	\$ 11,704,196	\$ 13,461,390
Revenue from testing service	<u>1,865,880</u>	<u>2,488,919</u>
	<u>\$ 13,570,076</u>	<u>\$ 15,950,309</u>

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

	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>January 1, 2022</b>
Notes and accounts receivables (Included related parties) (Note 10)	<u>\$ 2,805,754</u>	<u>\$ 2,213,615</u>	<u>\$ 4,346,371</u>
Contract assets-current			
Revenue from services	\$ 741,563	\$ 883,364	\$ 896,128
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
Contract assets-current	<u>\$ 741,563</u>	<u>\$ 883,364</u>	<u>\$ 896,128</u>
Contract liabilities- current			
Revenue from services	<u>\$ 112,686</u>	<u>\$ 200,206</u>	<u>\$ 164,824</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
From the beginning contract liability		
Revenue from services	<u>\$ 139,895</u>	<u>\$ 142,135</u>

c. Disaggregation of revenue

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Primary geographical markets</u>		
Taiwan (The location of the Corporation)	\$ 8,305,691	\$ 9,763,282
Asia	2,559,656	2,373,867
America	1,580,045	2,348,108
Europe	1,124,647	1,464,754
Africa	<u>37</u>	<u>298</u>
	<u>\$ 13,570,076</u>	<u>\$ 15,950,309</u>

## 22. NET PROFIT

a. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Bank deposits	\$ 73,177	\$ 34,215
Financial assets measured at amortized cost	<u>611</u>	<u>2,377</u>
	<u>\$ 73,788</u>	<u>\$ 36,592</u>

b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Dividend income	\$ 82,600	\$ 75,888
Rent income	987	563
Others	<u>47,427</u>	<u>67,074</u>
	<u>\$ 131,014</u>	<u>\$ 143,525</u>

c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Net gain on foreign currency exchange	\$ 31,044	\$ 255,571
Net loss arising on financial instruments classified as held for trading	(7,436)	(42,309)
Finance costs	(1,027)	(775)
Others	<u>(448)</u>	<u>(8,229)</u>
	<u>\$ 22,133</u>	<u>\$ 204,258</u>

d. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
An analysis of depreciation by function		
Operating costs	\$ 3,049,694	\$ 3,044,930
Operating expenses	<u>42,915</u>	<u>35,233</u>
	<u>\$ 3,092,609</u>	<u>\$ 3,080,163</u>
An analysis of amortization by function		
Operating costs	\$ 13,615	\$ 19,177
Selling and marketing	-	-
General and administrative	1,709	1,484
Research and development	<u>5,227</u>	<u>5,967</u>
	<u>\$ 20,551</u>	<u>\$ 26,628</u>

e. Employee benefit expense

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Post-employment benefits (Note 19)		
Defined contribution plans	\$ 114,358	\$ 120,133
Defined benefit plans	<u>(75,798)</u>	<u>2,588</u>
	38,560	122,721
Other employee benefits	<u>3,460,946</u>	<u>3,843,374</u>
	<u>\$ 3,499,506</u>	<u>\$ 3,966,095</u>

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
An analysis of employee benefit expense by function		
Operating costs	\$ 3,096,517	\$ 3,512,625
Operating expenses	<u>402,989</u>	<u>453,470</u>
	<u>\$ 3,499,506</u>	<u>\$ 3,966,095</u>
		(Concluded)

f. Employees' compensation and remuneration to directors

The Corporation accrued 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. The employees' compensation and remuneration of directors for the years ended December 31, 2023 and 2022 which have been approved by the Company's board of directors on February 23, 2024 and February 24, 2023, respectively, were as follows:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Employees' compensation	10%	10%
Remuneration of directors	2%	2%

Amount

	<b>For the Year Ended December 31</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Cash</b>	<b>Share</b>	<b>Cash</b>	<b>Share</b>
Employees' compensation	\$ 293,309	\$ -	\$ 429,978	\$ -
Remuneration of directors	58,662	-	80,711	-

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated 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 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Gain or loss on foreign currency exchange

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Foreign exchange gains	\$ 218,350	\$ 438,099
Foreign exchange losses	<u>(187,306)</u>	<u>(182,528)</u>
Net gains	<u>\$ 31,044</u>	<u>\$ 255,571</u>



## 23. INCOME TAXES

### a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current year	\$ 488,007	\$ 830,583
Income tax on unappropriated earnings	22,500	-
Adjustments for prior periods	15,391	22,294
Deferred tax		
In respect of the current year	<u>(11,762)</u>	<u>16,194</u>
Income tax expenses recognized in profit or loss	<u>\$ 514,136</u>	<u>\$ 869,071</u>

The income tax for the years ended December 31, 2023 and 2022 can be reconciled to the accounting profit as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit before income tax	<u>\$ 2,510,754</u>	<u>\$ 4,027,055</u>
Income tax expense calculated at the statutory rate (20%)	\$ 500,975	\$ 804,022
Nondeductible expenses in determining taxable income	(12,732)	(16,000)
Temporary differences	(11,998)	58,755
Income tax on unappropriated earnings	22,500	-
Adjustments for prior years' tax	<u>15,391</u>	<u>22,294</u>
Income tax recognized in profit or loss	<u>\$ 514,136</u>	<u>\$ 869,071</u>

### b. Current tax liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax liabilities		
Tax payable	<u>\$ 82,063</u>	<u>\$ 248,310</u>

### c. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	<b>Balance, Beginning of Year</b>	<b>The Movements of Year</b>	<b>Balance, End of Year</b>
<u>Deferred Tax Assets</u>			
Temporary difference			
Unrealized foreign exchange losses	<u>\$ 2,807</u>	<u>\$ 12,005</u>	<u>\$ 14,812</u>

(Continued)

	<b>Balance, Beginning of Year</b>	<b>The Movements of Year</b>	<b>Balance, End of Year</b>
<u>Deferred Tax Liabilities</u>			
Temporary difference			
Acquisitions through business combinations	\$ 11,371	\$ (1,596)	\$ 9,775
Financial instruments classified as held for trading	<u>151</u>	<u>243</u>	<u>394</u>
	<u>\$ 11,522</u>	<u>\$ (1,353)</u>	<u>\$ 10,169</u> (Concluded)

For the year ended December 31, 2022

	<b>Balance, Beginning of Year</b>	<b>The Movements of Year</b>	<b>Balance, End of Year</b>
<u>Deferred Tax Assets</u>			
Temporary difference			
Bonus	\$ 10,446	\$ (10,446)	\$ -
Provisions	12,909	(12,909)	-
Depreciation	25	(25)	-
Unrealized foreign exchange losses	<u>1,659</u>	<u>1,148</u>	<u>2,807</u>
	<u>\$ 25,039</u>	<u>\$ (22,232)</u>	<u>\$ 2,807</u>

Deferred Tax Liabilities

Temporary difference			
Acquisitions through business combinations	\$ -	\$ 11,371	\$ 11,371
Financial instruments classified as held for trading	<u>6,189</u>	<u>(6,038)</u>	<u>151</u>
	<u>\$ 6,189</u>	<u>\$ 5,333</u>	<u>\$ 11,522</u>

d. 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**

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Basic earnings per share	<u>\$ 3.51</u>	<u>\$ 5.55</u>
Diluted earnings per share	<u>\$ 3.47</u>	<u>\$ 5.44</u>

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**

	<u>For the Year Ended December 31</u>	
	2023	2022
Net profit attributable to owners of the Corporation	\$ 1,997,124	\$ 3,158,170
Effect to dilutive potential ordinary shares:		
Employees' compensation	<u>                  -</u>	<u>                  -</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 1,997,124</u>	<u>\$ 3,158,170</u>

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

	<u>For the Year Ended December 31</u>	
	2023	2022
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	568,846	568,846
Effect to dilutive potential ordinary shares:		
Employees' compensation	<u>      5,991</u>	<u>     11,323</u>
Weighted average number of ordinary shares in outstanding computation of dilutive earnings per share	<u>     574,837</u>	<u>     580,169</u>

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	<u>\$ 171,523</u>

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

b. Consideration transferred

Cash	<u>\$ 171,523</u>
------	-------------------

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

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

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

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

d. Non-controlling interests

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

e. Goodwill recognized on acquisitions

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

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

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

f. Net cash outflow on the acquisition of subsidiaries

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

## 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 an 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 consolidated financial statements approximate their fair values or their fair values cannot be reliably measured.

December 31, 2023

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

December 31, 2022

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

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

December 31, 2023

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 1,978</u>	<u>\$ -</u>	<u>\$ 1,978</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic Listed shares	<u>\$1,663,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,663,800</u>
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 6</u>

December 31, 2022

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

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

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

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

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)		
Held for trading	\$ 1,978	\$ 29,218
Financial assets at amortized cost (Note 1)	7,733,627	6,295,659
Financial assets at FVTOCI		
Equity instruments	1,663,800	934,560
<u>Financial liabilities</u>		
Fair value through profit or loss (FVTPL)		
Held for trading	6	250
Amortized cost (Note 2)	1,396,659	1,089,325

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, 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 65% of the Corporation's sales were denominated in currencies other than the functional currency of the Corporation entity making the sale, whilst almost both 15% of costs were denominated in the Corporation entity's non-functional currency for the year ended December 31, 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 year ended December 31, 2023 and 2022 would decrease/increase by \$18,626 thousand and \$15,319 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.

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Fair value interest rate risk		
Financial assets	\$ 4,649,417	\$ 3,316,303
Cash flow interest rate risk		
Financial assets	197,262	637,926

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 year ended December 31, 2023 and 2022 would increase/decrease by \$986 thousand and \$3,190 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) 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 year ended December 31, 2022 would increase/decrease by \$282, respectively, as a result of the changes in fair value of financial instruments classified as FVTPL. If equity prices had been 1% higher/lower, the Corporation's other comprehensive income for the year ended December 31, 2023 and 2022 would increase/decrease by \$16,638 thousand and \$9,346 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 consolidated 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:

<b>Category</b>	<b>Description</b>	<b>Basis for Recognizing Expected Credit Losses</b>	<b>Expected Loss Rate</b>
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.

#### December 31, 2023

	<b>On Demand or Less than 3 Month</b>	<b>3-6 Months</b>	<b>6 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Notes and accounts payable	\$ 651,423	\$ -	\$ -	\$ -	\$ -
Lease liability	2,378	2,333	4,667	26,777	5,480
Payables to equipment suppliers	251,727	-	-	-	-
Guarantee deposits	17,655	17,655	35,312	264,830	16
Other payables	<u>158,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,081,224</u>	<u>\$ 19,988</u>	<u>\$ 39,979</u>	<u>\$ 291,607</u>	<u>\$ 5,496</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Guarantee deposits	\$ 70,622	\$ 264,830	\$ -	\$ -	\$ -	\$ 16
Lease liabilities	<u>9,378</u>	<u>26,777</u>	<u>4,240</u>	<u>1,240</u>	<u>-</u>	<u>-</u>
	<u>\$ 80,000</u>	<u>\$ 291,607</u>	<u>\$ 4,240</u>	<u>\$ 1,240</u>	<u>\$ -</u>	<u>\$ 16</u>

#### December 31, 2022

	<b>On Demand or Less than 3 Month</b>	<b>3-6 Months</b>	<b>6 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Notes and accounts payable	\$ 413,109	\$ -	\$ -	\$ -	\$ -
Lease liability	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	<u>108,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 703,839</u>	<u>\$ 20,008</u>	<u>\$ 40,015</u>	<u>\$ 317,162</u>	<u>\$ 59,450</u>

Additional information about the maturity analysis for lease liabilities:

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

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.

December 31, 2023

	On Demand or Less than 3 Month	3-6 Months	6 Months to 1 Year	1-5 Years	5+ Years
<u>Gross settled</u>					
Forward exchange contracts					
Inflows	\$ 112,236	\$ -	\$ -	\$ -	\$ -
Outflows	<u>(110,538)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,698</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2022

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

## 28. TRANSACTIONS WITH RELATED PARTIES

Greatek's parent is PTI, which held 42.91% of common shares of the Corporation as of December 31, 2023 and 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

<u>Related Party Name</u>	<u>Relationship with the Corporation</u>
Powertech Technology Inc.	Parent entity
Realtek Semiconductor Corp.	Other related parties
Realtek Singapore Private Limited	Other related parties
Raymx Microelectronics Corp.	Other related parties
Powertech Technology (Suzhou) Pte Ltd.	Fellow subsidiaries

b. Revenue

<b>Account Items</b>	<b>Related Parties Types</b>	<b>For the Year Ended December 31</b>	
		<b>2023</b>	<b>2022</b>
Subcontract revenue	Other related parties	\$ 1,238,716	\$ 1,041,800
	Parent entity	<u>109,643</u>	<u>104,087</u>
		<u>\$ 1,348,359</u>	<u>\$ 1,145,887</u>

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

	<b>Related Parties Types</b>	<b>December 31</b>	
		<b>2023</b>	<b>2022</b>
	Parent entity	\$ -	\$ 22,932
	Fellow subsidiaries	<u>-</u>	<u>4,547</u>
		<u>\$ -</u>	<u>\$ 27,479</u>

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

d. Contract assets

	<b>Related Parties Types</b>	<b>December 31</b>	
		<b>2023</b>	<b>2022</b>
	Other related parties	\$ 24,977	\$ 36,209
	Parent entity	<u>6,874</u>	<u>2,153</u>
		<u>\$ 31,851</u>	<u>\$ 38,362</u>

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

e. Manufacturing expenses and operating expenses

<b>Account Items</b>	<b>Related Parties Types</b>	<b>For the Year Ended December 31</b>	
		<b>2023</b>	<b>2022</b>
Manufacturing expenses	Parent entity	\$ 5,946	\$ 15,006
Operating expenses	Parent entity	<u>\$ 270</u>	<u>\$ -</u>

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

f. Trade receivables from related parties

<b>Account Items</b>	<b>Related Parties Types</b>	<b>December 31</b>	
		<b>2023</b>	<b>2022</b>
Trade receivables from related parties	Other related parties	\$ 359,053	\$ 143,852
	Parent entity	<u>38,504</u>	<u>25,478</u>
		<u>\$ 397,557</u>	<u>\$ 169,330</u>

g. Other receivables

<b>Account Items</b>	<b>Related Parties Types</b>	<b>December 31</b>	
		<b>2023</b>	<b>2022</b>
Prepaid expenses and other current assets	Parent entity	\$ 1,988	\$ 1,149
	Other related parties	<u>-</u>	<u>328</u>
		<u>\$ 1,988</u>	<u>\$ 1,477</u>

h. Accrued expenses and other current liabilities

<b>Account Items</b>	<b>Related Parties Types</b>	<b>December 31</b>	
		<b>2023</b>	<b>2022</b>
Accrued expenses and other current liabilities	Parent entity	<u>\$ 1,822</u>	<u>\$ 1,589</u>

i. Compensation of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term benefits	\$ 98,473	\$ 120,256
Post-employment benefits	<u>279</u>	<u>211</u>
	<u>\$ 98,752</u>	<u>\$ 120,467</u>

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.

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Pledge deposits (classified as other asset - noncurrent)	<u>\$ 118,700</u>	<u>\$ 118,700</u>

### 30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencie of the Corporation at December 31,2023 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 December 31,2023, 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 December 31,2023, the Corporation has paid a total of \$376,200 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:

	<b>December 31, 2023</b>		
	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 78,404	30.705 (USD:NTD)	\$ 2,407,399
HKD	1	3.929 (HKD:NTD)	<u>3</u>
			<u>\$ 2,407,402</u>
Non-monetary items			
Derivative instruments			
USD	3,300	30.629(USD:NTD)	<u>\$ 1,978</u>
<u>Financial liabilities</u>			
Monetary items			
USD	17,744	30.705 (USD:NTD)	544,838
JPY	119,710	0.2172 (JPY:NTD)	<u>26,001</u>
			<u>\$ 570,839</u>
Non-monetary items			
Derivative instruments			
USD	300	30.629 (USD:NTD)	<u>\$ 6</u>

	<b>December 31, 2022</b>		
	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 68,840	30.660 (USD:NTD)	\$ 2,110,652
HKD	1	3.971 (HKD:NTD)	<u>3</u>
			<u>\$ 2,110,655</u>
Non-monetary items			
Derivative instruments			
USD	2,500	30.613 (USD:NTD)	<u>\$ 1,009</u>
<u>Financial liabilities</u>			
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)	<u>1,103</u>
			<u>\$ 620,149</u>
Non-monetary items			
Derivative instruments			
USD	2,500	30.613 (USD:NTD)	<u>\$ 250</u>

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains were \$31,044 thousand and \$255,571 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the 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

- a. The revenues, operating results and financial information of each plant presented to the chief operating decision maker are consistent with the information in the consolidated financial statements. The segment revenues and operating results for the years ended December 31, 2023 and 2022 are shown in the consolidated income statements for the years ended December 31, 2023 and 2022. The segment assets as of December 31, 2023 and 2022 are shown in the consolidated balance sheets as of December 31, 2023 and 2022.
- b. Revenue from major products and services

The following is an analysis of the Corporation's revenue from its major products and services:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Assembly services	\$ 11,704,196	\$ 13,461,390
Testing services	<u>1,865,880</u>	<u>2,488,919</u>
	<u>\$ 13,570,076</u>	<u>\$ 15,950,309</u>

- c. Geographic information

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

	<b>Revenue</b>		<b>Non-current Assets</b>	
	<b>For the Year Ended</b>		<b>December 31</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Taiwan	\$ 8,305,691	\$ 9,763,282	\$ 13,242,692	\$ 14,668,824
Asia	2,559,656	2,373,867	-	-
America	1,580,045	2,348,108	-	-
Europe	1,124,647	1,464,754	-	-
Africa	<u>37</u>	<u>298</u>	<u>-</u>	<u>-</u>
	<u>\$ 13,570,076</u>	<u>\$ 15,950,309</u>	<u>\$ 13,242,692</u>	<u>\$ 14,668,824</u>

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



d. Major customers

For the years ended December 31, 2023 and 2022, sales to customers amounting were less than 10% of total gross sales.

**GREATEK ELECTRONICS INC. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**

**DECEMBER 31, 2023**

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

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares (Thousands)	Carrying Value	% of Ownership	Fair Value	
Greatek Electronics Inc.	<u>Bond</u> P08 Taipower 3A	-	Financial assets at amortized cost – current	50	\$ 50,000	-	\$ 50,000	Note 1
	<u>Stock</u> Powertech Technology Inc.	Parent entity	Financial assets at fair value through other comprehensive profit or loss - noncurrent	11,800	1,663,800	2	1,663,800	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 December 31, 2023.

Note 2: The fair value of common shares was based on stock closing price as of December 31, 2023.

Note 3: The fair value was based on the carrying value as of as of December 31, 2023.

Note 4: As of December 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 YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Note
			Purchase/Sale	Amount	% 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	\$ 898,007	7	Net 60 days from monthly closing dates	Note	-	\$ 305,491	11	-
	Realtek Singapore Private Limited	Same parent company with the corporate director	Sale	338,857	2	Net 60 days from monthly closing dates	Note	-	52,507	2	-
	Powertech Technology Inc.	Parent company	Sale	109,643	1	Net 90 days from monthly closing dates	Note	-	38,504	1	-

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

**GREATEK ELECTRONICS INC. AND SUBSIDIARIES**

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

**DECEMBER 31, 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	\$ 305,491	4.58	\$ -	-	\$ 97,053	\$ -

**GREATEK ELECTRONICS INC. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR YEAR ENDED DECEMBER 31, 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	\$ 115,220	Note 2	1%
	Get-Team Tech Corporation	1	Accounts payables	31,552	Note 2	-
	Get-Team Tech Corporation	1	Accrued expenses	697	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.

**GREATEK ELECTRONICS INC. AND SUBSIDIARIES**

**NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES 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
				December 31, 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	\$ 145,019	\$ (13,486)	\$ (19,367)	Subsidiary

**TABLE 6****GREATEK ELECTRONICS INC.****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2023**

---

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