Greatek Electronics Inc. and Subsidiaries

Consolidated financial statements for the Years Ended December 31, 2022 and 2021 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, 2022 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:

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BORIS HSIEH
Chairman

February 24, 2023

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, 2022 and 2021, 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, 2022 and 2021, 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 Auditing and Attestation of Consolidated financial statements by Certified Public Accountants and auditing standards generally accepted in 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, 2022. 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, 2022, are described as follows:

<u>Contract assets and revenue recognition</u>

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, 2022 and 2021 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, 2022 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 24, 2023

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.

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

ASSETS	**2022 Amount**	**%**	**2021 Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 3,835,529	16	$ 4,047,129	15
Financial assets at fair value through profit or loss - current (Notes 4, 5 and 7)	29,218	-	80,945	-
Financial assets at amortized cost - current (Notes 4, 5 and 9)	50,000	-	400,000	2
Contract assets - current (Notes 4, 21 and 28)	883,364	3	896,128	3
Notes receivable (Notes 4, 5, 10 and 21)	44,579	-	155,411	1
Accounts receivable (Notes 4, 5, 10 and 21)	1,999,706	8	3,755,162	14
Receivables from related parties (Notes 4, 5, 21 and 28)	169,330	1	435,798	2
Inventories (Notes 4 and 11)	1,425,007	6	1,363,541	5
Prepaid expenses and other current assets (Notes 4, 16 and 28)	220,611	1	219,755	1
Total current assets	8,657,344	35	11,353,869	43
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 4 and 8)	934,560	4	977,000	4
Financial assets at amortized cost - noncurrent (Notes 4, 5 and 9)	50,000	-	100,000	-
Property, plant and equipment (Notes 4, 13 and 28)	14,516,540	60	13,872,740	52
Right-of-use assets (Notes 4 and 14)	45,712	-	8,109	-
Intangible assets (Notes 4 and 15)	97,619	-	53,473	-
Deferred income tax assets (Notes 4 and 23)	2,807	-	25,039	-
Other noncurrent assets (Notes 4, 16 and 29)	127,653	1	115,853	1
Total non-current assets	15,774,891	65	15,152,214	57
TOTAL	$ 24,432,235	100	$ 26,506,083	100

LIABILITIES AND EQUITY	**2022 Amount**	**%**	**2021 Amount**	**%**
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Notes 4, 5 and 7)	$ 250	-	$ -	-
Contract liabilities - current (Notes 4 and 21)	200,206	1	164,824	1
Notes payable	6,563	-	3,346	-
Accounts payable (Note 28)	406,546	2	1,390,380	5
Payables to equipment suppliers (Note 28)	161,826	1	870,822	3
Accrued compensation to employees and remuneration to directors (Notes 4 and 22)	510,689	2	758,441	3
Current income tax liabilities (Notes 4 and 23)	248,310	1	802,962	3
Lease liabilities - current (Notes 4 and 14)	8,487	-	1,250	-
Accrued expenses and other current liabilities (Notes 4, 17 and 28)	1,313,711	5	1,419,439	5
Guarantee deposits - current (Note 18)	70,518	-	-	-
Total current liabilities	2,927,106	12	5,411,464	20
NON-CURRENT LIABILITIES				
Deferred income tax liabilities (Notes 4 and 23)	11,522	-	6,189	-
Lease liabilities - noncurrent (Notes 4 and 14)	39,108	-	7,061	-
Guarantee deposits - noncurrent (Note 18)	334,977	1	16	-
Net defined benefit liability - noncurrent (Notes 4 and 19)	210,628	1	251,448	1
Total non-current liabilities	596,235	2	264,714	1
Total liabilities	3,523,341	14	5,676,178	21
EQUITY (Notes 4, 20 and 26)				
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
Capital stock				
Common stock	5,688,459	23	5,688,459	22
Capital surplus	2,282	-	2,282	-
Retained earnings				
Legal reserve	3,984,926	16	3,524,620	13
Unappropriated earnings	11,388,066	47	11,570,060	44
Other equity	(157,984)	-	44,484	-
Total equity attributable to shareholders of the Parent	20,905,749	86	20,829,905	79
NON-CONTROLLING INTERESTS	3,145	-	-	-
Total equity	20,908,894	86	20,829,905	79
TOTAL	$ 24,432,235	100	$ 26,506,083	100

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

GREATEK ELECTRONICS INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
NET SALES (Notes 4, 21, 28 and 33)	$ 15,950,309	100	$ 19,461,143	100
OPERATING COSTS (Notes 11, 19, 22 and 28)	11,720,008	73	13,191,441	68
GROSS PROFIT	4,230,301	27	6,269,702	32
OPERATING EXPENSES (Notes 19 and 22)				
Selling and marketing	66,307	-	73,665	-
General and administrative	269,242	2	312,982	2
Research and development	252,072	2	287,002	1
Expected credit (gain) loss	-	-	(51,037)	-
Total operating expenses	587,621	4	622,612	3
OPERATING INCOME	3,642,680	23	5,647,090	29
NONOPERATING INCOME AND EXPENSES (Notes 4 and 22)				
Interest income	36,592	-	21,407	-
Other income	143,525	1	89,717	1
Other gains and losses	204,258	1	(8,540)	-
Total nonoperating income and expenses	384,375	2	102,584	1
INCOME BEFORE INCOME TAX	4,027,055	25	5,749,674	30
INCOME TAX EXPENSE (Notes 4 and 23)	869,071	5	1,146,912	6
NET INCOME	3,157,984	20	4,602,762	24
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 19)	(35,628)	-	295	-
Unrealized loss on investments in equity instruments designated as at fair value through other comprehensive income (Notes 4 and 20)	(202,468)	(2)	(6,577)	-
	(238,096)	(2)	(6,282)	-
TOTAL COMPREHENSIVE INCOME	$ 2,919,888	18	$ 4,596,480	24

(Continued)

GREATEK ELECTRONICS INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
NET INCOME ATTRIBUTABLE TO				
Shareholders of the Parent	$ 3,158,170	20	$ 4,602,762	24
Non-controlling interests	(186)	-	-	-
	$ 3,157,984	20	$ 4,602,762	24
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Shareholders of the Parent	$ 2,920,074	18	$ 4,596,480	24
Non-controlling interests	(186)	-	-	-
	$ 2,919,888	18	$ 4,596,480	24
EARNINGS PER SHARE (Note 24)				
Basic	$ 5.55		$ 8.09	
Diluted	$ 5.44		$ 7.97	

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

GREATEK ELECTRONICS INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Corporation								
	Share Capital Issued and Outstanding			Retained Earnings		Other Equity			
	Share (Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Investments in Equity Instruments at Fair Value Through Other Comprehensive Income	Noncontrolling Total	Interest	Total Shareholders' Equity
BALANCE, JANUARY 1, 2021	568,846	$ 5,688,459	$ 2,154	$ 3,260,735	$ 8,994,310	$ 51,061	$ 17,996,719	$ -	$ 17,996,719
APPROPRIATION OF 2020 EARNINGS									
Legal reserve	-	-	-	263,885	(263,885)	-	-	-	-
Cash dividends to shareholders - NT$3.1 per share	-	-	-	-	(1,763,422)	-	(1,763,422)	-	(1,763,422)
Capital surplus - donations from shareholders	-	-	128	-	-	-	128	-	128
Net income for the year ended December 31, 2021	-	-	-	-	4,602,762	-	4,602,762	-	4,602,762
Other comprehensive income (loss) for the year ended December 31, 2021 , net of income tax	-	-	-	-	295	(6,577)	(6,282)	-	(6,282)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	4,603,057	(6,577)	4,596,480	-	4,596,480
BALANCE, DECEMBER 31, 2021	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

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

GREATEK ELECTRONICS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Current income before income tax	$ 4,027,055	$ 5,749,674
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation	3,080,163	2,899,102
Amortization	26,628	28,337
Expected credit gain recognized on accounts receivables	-	(51,037)
Net loss (gain) on fair value change of financial instruments designated as at fair value through profit or loss	20,727	(22,144)
Finance costs	775	151
Interest income	(36,592)	(21,407)
Dividend income	(75,888)	(39,445)
Net gain on disposal of property, plant and equipment	(729)	(819)
Classification from property, plant and equipment to expenses	2	-
Recognition of inventory valuation and obsolescence losses	75,000	21,516
Net (gain) loss on foreign currency exchange	(44,192)	8,652
Premium amortization of financial assets at amortized cost	-	1
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss	31,250	70,490
Decrease (increase) in contract assets	12,764	(247,735)
Decrease (increase) in notes receivable	110,832	(35,882)
Decrease (increase) in accounts receivable	1,783,614	(646,692)
Decrease (increase) in accounts receivable from related parties	266,468	(85,171)
Increase in inventories	(133,113)	(612,431)
Decrease (increase) in prepaid expenses and other current assets	9,303	(83,168)
Increase in contract liabilities	35,382	108,148
Increase (decrease) in notes payable	3,217	(189)
(Decrease) increase in accounts payable	(995,129)	432,965
(Decrease) increase in accrued compensation to employees and remuneration to directors	(247,912)	327,147
(Decrease) increase in accrued expenses and other accounts payable	(113,795)	376,315
Decrease in net defined benefit liability	(76,448)	(6,821)
Cash generated from operations	7,759,382	8,169,557
Interest received	38,020	22,840
Interest paid	(775)	(151)
Income tax paid	(1,409,220)	(777,637)
Net cash provided by operating activities	6,387,407	7,414,609

(Continued)

GREATEK ELECTRONICS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (160,028)	$ (398,044)
Proceeds from financial assets at amortized cost	400,000	300,000
Net cash outflow on acquisition of subsidiary	(127,194)	-
Acquisition of property, plant and equipment	(4,392,842)	(5,419,052)
Disposal of property, plant and equipment	1,037	1,077
Increase in refundable deposits	(760)	(155)
Increase in intangible assets	(11,495)	(18,773)
Increase in other non-current assets	(10,000)	(25,000)
Dividend received	75,888	39,445
Net cash used in investing activities	(4,225,394)	(5,520,502)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits	390,164	-
Repayment of the principal portion of lease liabilities	(2,824)	(1,229)
Cash dividends distributed	(2,844,230)	(1,763,422)
Donations from shareholders	-	128
Net cash used in financing activities	(2,456,890)	(1,764,523)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	83,277	(17,162)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(211,600)	112,422
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,047,129	3,934,707
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3,835,529	$ 4,047,129

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

(Concluded)

(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, 2022 and 2021.

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 24, 2023.

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

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

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Corporation has assessed that the application of other standards and interpretations will not have a material impact on the Corporation's financial position and financial performance.

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

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

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.

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 that the application of other standards and interpretations will have on the Corporation's consolidated financial position and consolidated financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING 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 asendorsed 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.

l. 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.

The Corporation considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Critical Accounting Judgements

a. Business model assessment for financial assets

   The Corporation determines the business model at a level that reflects how Corporations of financial assets are managed together to achieve a particular business objective. This assessment includes judgment about all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets and how these are managed, and how the managers of the assets are compensated. The Corporation monitors financial assets measured at amortized cost, the Corporation understands the reasons for their disposal and whether the reasons are consistent with the objective of the business for which the assets were held. Monitoring is part of the Corporation's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and, if it is not appropriate, whether there has been a change in the business model such that a prospective change to the classification of those assets is proper.

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

	December 31	
	2022	2021
Bank deposits	$ 3,835,529	$ 4,047,129

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

	December 31	
	2022	2021
Bank deposits	0.31%-4.35%	0.05-0.765%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
Financial assets at FVTPL - current		
Financial assets held for trading - current		
Non-derivative financial assets		
Mutual funds	$ 28,209	$ 79,200
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	1,009	1,745
	$ 29,218	$ 80,945
Financial liabilities at FVTPL - current		
Financial liabilities held for trading - current		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	$ 250	$ -

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)
December 31, 2022			
Sell forward exchange contracts	USD to NTD	2023.01.11-2023.02.13	USD 5,000 / NTD153,827
December 31, 2021			
Sell forward exchange contracts	USD to NTD	2022.01.11-2022.03.16	USD 11,400 / NTD316,867

The Corporation entered into foreign exchange forward contracts during the 2022 and 2021 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

	December 31	
	2022	2021
Noncurrent		
Domestic investments		
Listed shares		
Ordinary shares - Powertech Technology Inc.	$ 934,560	$ 977,000

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

	December 31	
	2022	2021
Current		
Domestic investments		
Corporate bonds - P08 Taiwan Power Company 3A Bond	$ 50,000	$ -
Corporate bonds - P06 Taiwan Power Company 1A Bond	-	300,000
Corporate bonds - P06 Taiwan Power Company 3A Bond	-	50,000
Corporate bonds - P06 FPC 1A Bond	-	50,000
	$ 50,000	$ 400,000
Noncurrent		
Domestic investments		
Corporate bonds - P08 Taiwan Power Company 3A Bond	$ 50,000	$ 100,000

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

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

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

On 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

	December 31 2022	December 31 2021
Notes receivable		
At amortized cost		
Gross carrying amount	$ 44,579	$ 155,411
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 2,060,206	$ 3,815,331
Less: Allowance for impairment loss	(60,500)	(60,169)
	$ 1,999,706	$ 3,755,162

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, 2022

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

December 31, 2021

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	$ 3,761,071	$ 52,314	$ 1,411	$ 535	$ -	$ 3,815,331
Loss allowance (Lifetime ECL)	(5,909)	(52,314)	(1,411)	(535)	-	(60,169)
Amortized cost	$ 3,755,162	$ -	$ -	$ -	$ -	$ 3,755,162

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 60,169	$ 25,925
Add: Acquisition of subsidiary	331	-
Add: Amounts recovered	-	85,281
Less: Net remeasurement of loss allowance	-	(51,037)
Balance at December 31	$ 60,500	$ 60,169

11. INVENTORIES

	December 31	
	2022	2021
Raw materials	$ 1,289,560	$ 1,170,074
Supplies	135,447	193,467
	$ 1,425,007	$ 1,363,541

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

	For the Year Ended December 31	
	2022	2021
Provision of inventory valuation and obsolescence losses	$ 75,000	$ 21,516
Unallocated overheads	$ 703,356	$ 128,721
Sales of scrapes	$ (79,034)	$ (82,693)
Operating Costs	$ 11,720,008	$ 13,191,441

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership (%) December 31		
Investor	Investee	Nature of Activities	2022	2021	Remark
Greatek Electronics Inc.	Get-Team Tech Corporation (Get-Team)	Metal plating on semiconductor lead frame	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, 2021									
	Land	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Installation	Construction in Progress	Spare Parts	Total
Cost										
Balance, beginning of year	$ 1,316,801	$ 3,838,721	$18,804,498	$ 18,214	$ 99,223	$ 482,728	$ 611,443	$ 79,764	$ 189,393	$25,440,785
Additions	560,535	49,234	2,326,256	3,229	23,624	56,348	875,085	1,495,178	581,518	5,971,007
Disposals	-	-	(1,797,906)	(2,365)	(445)	-	-	-	(511,504)	(2,312,220)
Reclassified	-	78,220	604,150	1,620	-	-	(610,666)	(73,324)	-	-
Balance, end 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
Accumulated depreciation										
Balance, beginning of year	-	2,003,335	12,212,937	11,068	57,977	355,651	-	-	-	14,640,968
Additions	-	233,518	2,089,543	2,889	13,719	46,653	-	-	511,504	2,897,826
Disposals	-	-	(1,797,648)	(2,365)	(445)	-	-	-	(511,504)	(2,311,962)
Balance, end of year	-	2,236,853	12,504,832	11,592	71,251	402,304	-	-	-	15,226,832
Net book value, end of year	$ 1,877,336	$ 1,729,322	$ 7,432,166	$ 9,106	$ 51,151	$ 136,772	$ 875,862	$ 1,501,618	$ 259,407	$13,872,740

	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
Cost										
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 15)	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	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
Accumulated depreciation										
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 15)		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	-	2,491,245	13,093,970	16,036	88,918	461,853	-	-	-	16,152,022
Net book value, end of year	$ 1,981,352	$ 2,326,205	$ 6,862,466	$ 12,445	$ 61,360	$ 194,979	$ 835,990	$ 1,983,196	$ 258,547	$14,516,540

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

	December 31	
	2022	2021
Carrying amounts		
Building	$ 33,265	$ -
Machinery and Equipment	12,447	8,109
	$ 45,712	$ 8,109

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 22,485	$ -
Depreciation charge for right-of-use assets		
Building	$ 1,468	$ -
Machinery and Equipment	1,412	1,276
	$ 2,880	$ 1,276

b. Lease liabilities

	December 31	
	2022	2021
Carrying amounts		
Current	$ 8,487	$ 1,250
Non-current	$ 39,108	$ 7,061

Range of discount rate for lease liabilities was as follows:

	December 31	
	2022	2021
Building	2.525%	-
Machinery and equipment	1.695%-2.300%	1.695%

c. Material lease-in activities and terms

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

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

15. INTANGIBLE ASSETS

	For the Year Ended December 31, 2021			
	Goodwill	Trade secret	Computer Software	Total
Cost				
Balance, beginning of year	$ -	$ -	$ 140,246	$ 140,246
Additions	-	-	18,773	18,773
Disposals	-	-	(11,864)	(11,864)
Balance, end of year	-	-	147,155	147,155

(Continued)

	For the Year Ended December 31, 2021			
	Goodwill	Trade secret	Computer Software	Total
Accumulated amortization				
Balance, beginning of year	-	-	77,209	77,209
Additions	-	-	28,337	28,337
Disposals	-	-	(11,864)	(11,864)
Balance, end of year	-	-	93,682	93,682
Net book value, end of year	$ -	$ -	$ 53,473	$ 53,473

(Concluded)

	For the Year Ended December 31, 2022			
	Goodwill	Trade secret	Computer Software	Total
Cost				
Balance, beginning of year	$ -	$ -	$ 147,155	$ 147,155
Additions	-	-	11,495	11,495
Acquisitions through business combinations	17,896	41,383	-	59,279
Disposals	-	-	(65,958)	(65,958)
Balance, end of year	17,896	41,383	92,692	151,971
Accumulated amortization				
Balance, beginning of year	-	-	93,682	93,682
Additions	-	1,035	25,593	26,628
Disposals	-	-	(65,958)	(65,958)
Balance, end of year	-	1,035	53,317	54,352
Net book value, end of year	$ 17,896	$ 40,348	$ 39,375	$ 97,619

The Corporation acquired Get-Team in October, 2022 and recognized goodwill of $17,986 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

	December 31 2022	December 31 2021
Current		
Tax overpaid	$ 131,520	$ 95,221
Inventory of supplies	33,187	33,382
Tax refund receivables	17,820	43,188
Other receivables	16,786	24,745
Others (a)	21,298	23,219
	$ 220,611	$ 219,755
Non-current		
Pledged deposits (b)	$ 118,700	$ 108,700
Refundable deposits	8,953	7,153
	$ 127,653	$ 115,853

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

	December 31 2022	December 31 2021
Current		
Accrued expenses		
Bonus	$ 864,676	$ 866,785
Indemnification payable	131,408	133,487
Labor and health insurance	58,534	64,796
Utilities	40,368	37,576
Others (a)	174,320	276,481
	1,269,306	1,379,125
Other current liabilities		
Temporary receipts	22,215	11,499
Behalf of the collection	22,190	28,815
	44,405	40,314
	$ 1,313,711	$ 1,419,439

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

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.

18. GUARANTEE DEPOSITS

	December 31	
	2022	2021
Capacity guarantee	$ 405,479	$ -
Others	16	16
	$ 405,495	$ 16
Current	$ 70,518	$ -
Non-current	$ 334,977	$ 16

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.

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

	December 31	
	2022	2021
Present value of funded defined benefit obligation	$ 501,391	$ 461,939
Fair value of plan assets	(290,763)	(210,491)
Net defined benefit liability	$ 210,628	$ 251,448

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2021	$ 465,709	$ (207,145)	$ 258,564
Service cost			
Current service cost	870	-	870
Net interest expense (income)	1,863	(829)	1,034
Recognized in profit or loss	2,733	(829)	1,904
Remeasurement			
Actuarial loss(gain) - experience adjustments	18,207	(2,983)	15,224
Actuarial loss - changes in human assumptions	474	-	474
Actuarial (gain)- changes in financial assumptions	(15,993)	-	(15,993)
Recognized in other comprehensive income	2,688	(2,983)	(295)
Contributions from the employer	-	(8,725)	(8,725)
Benefits paid	(9,191)	9,191	-
Balance at December 31, 2021	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	4,061	(1,473)	2,588
Remeasurement			
Actuarial loss(gain) - experience adjustments	62,756	(15,914)	46,842
Actuarial (gain)- changes in financial assumptions	(11,214)	-	(11,214)
Recognized in other comprehensive income	51,542	(15,914)	35,628
Contributions from the employer	-	(79,036)	(79,036)
Benefits paid	(16,151)	16,151	-
Balance at December 31, 2022	$ 501,391	$ (290,763)	$ 210,628

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

	For the Year Ended December 31	
	2022	2021
Operating costs	$ 2,344	$ 1,743
Selling and marketing expenses	$ 29	$ 19
General and administrative expenses	$ 72	$ 48
Research and development expenses	$ 143	$ 94

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:

	December 31	
	2022	**2021**
Discount rates	1.40%	0.70%
Expected rates of salary increase	3.50%	2.95%
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	1.40%	0.70%

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:

	December 31	
	2022	**2021**
Discount rate(s)		
0.25% increase	$ (12,793)	$ (12,409)
0.25% decrease	$ 13,263	$ 12,884
Expected rate(s) of salary increase		
0.25% increase	$ 11,741	$ 11,439
0.25% decrease	$ (11,407)	$ (11,100)

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.

	December 31	
	2022	**2021**
The expected contributions to the plan for the next year	$ 8,163	$ 8,850
The average duration of the defined benefit obligation	11 years	11 years

20. EQUITY

a. Ordinary shares

	December 31 2022	December 31 2021
Numbers of shares authorized (in thousands)	700,000	700,000
Shares authorized	$ 7,000,000	$ 7,000,000
Number of shares issued and fully paid (in thousands)	568,846	568,846
Shares issued	$ 5,688,459	$ 5,688,459

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

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

b. Capital surplus

	December 31 2022	December 31 2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Share premium	$ 1,647	$ 1,647
May be used to offset a deficit only		
Donations from shareholders	635	635
	$ 2,282	$ 2,282

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 2021 and 2020 had been approved in the shareholders' meetings on May 26, 2022 and July 21, 2021, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		**Dividends Per Share ($)**	
	For Year 2021	**For Year 2020**	**For Year 2021**	**For Year 2020**
Legal reserve	$ 460,306	$ 263,885	$ -	$ -
Cash dividends	2,844,230	1,763,422	5.0	3.1

Greatek's appropriations of earnings for 2022 had been proposed by the board of directors on February 24, 2023. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	**Dividends Per Share**
Legal reserve	$ 312,254	$ -
Special reserve	157,984	-
Cash dividends	2,104,730	3.7

The appropriations of earnings for 2022 are subject to the resolution of the shareholders meeting to be held on May 30, 2023.

d. Other equity items

Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	**2021**
Balance at January 1	$ 44,484	$ 51,061
Other comprehensive (loss) income recognized during the period		
Unrealized gain - equity instruments	(202,468)	(6,577)
Balance at December 31	$ (157,984)	$ 44,484

e. Non-controlling interests

	For the Year Ended December 31, 2022
Balance at January 1	$ -
Share in loss for the year	(186)
Additional non-controlling interests recognized on acquisition of subsidiary	3,331
Balance at December 31	$ 3,145

21. REVENUE

a. Contract information

	For the Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Revenue from assembly service	$ 13,461,390	$ 16,492,522
Revenue from testing service	2,488,919	2,968,621
	$ 15,950,309	$ 19,461,143

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

	December 31, 2022	December 31, 2021	January 1, 2021
Notes and accounts receivables (Included related parties) (Note 10)	$ 2,213,615	$ 4,346,371	$ 3,521,425
Contract assets-current			
Revenue from services	$ 883,364	$ 896,128	$ 648,393
Less: Allowance for impairment loss	-	-	-
Contract assets-current	$ 883,364	$ 896,128	$ 648,393
Contract liabilities- current			
Revenue from services	$ 200,206	$ 164,824	$ 56,676

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

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

	For the Year Ended December 31	
	2022	2021
From the beginning contract liability		
Revenue from services	$ 142,135	$ 45,090

c. Disaggregation of revenue

	For the Year Ended December 31	
	2022	2021
Primary geographical markets		
Taiwan (The location of the Corporation)	$ 9,763,282	$ 14,269,954
Asia	2,373,867	1,525,037
America	2,348,108	2,174,305
Europe	1,464,754	1,491,789
Africa	298	58
	$ 15,950,309	$ 19,461,143

22. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	$ 34,215	$ 15,172
Financial assets measured at amortized cost	2,377	6,235
	$ 36,592	$ 21,407

b. Other income

	For the Year Ended December 31	
	2022	2021
Dividend income	$ 75,888	$ 39,445
Rent income	563	-
Others	67,074	50,272
	$ 143,525	$ 89,717

c. Other gains and losses

	For the Year Ended December 31	
	2022	**2021**
Net gain (loss) on foreign currency exchange	$ 255,571	$ (34,644)
Net (loss) gain arising on financial instruments classified as held for trading	(42,309)	26,770
Finance costs	(775)	(151)
Others	(8,229)	(515)
	$ 204,258	$ (8,540)

d. Depreciation and amortization

	For the Year Ended December 31	
	2022	**2021**
An analysis of depreciation by function		
Operating costs	$ 3,044,930	$ 2,870,650
Operating expenses	35,233	28,452
	$ 3,080,163	$ 2,899,102
An analysis of amortization by function		
Operating costs	$ 19,177	$ 20,212
Selling and marketing	-	-
General and administrative	1,484	2,474
Research and development	5,967	5,651
	$ 26,628	$ 28,337

e. Employee benefit expense

	For the Year Ended December 31	
	2022	**2021**
Post-employment benefits (Note 19)		
Defined contribution plans	$ 120,133	$ 116,012
Defined benefit plans	2,588	1,904
	122,721	117,916
Other employee benefits	3,843,374	4,655,518
Total employee benefit expense	$ 3,966,095	$ 4,773,434
An analysis of employee benefit expense by function		
Operating costs	$ 3,512,625	$ 4,220,515
Operating expenses	453,470	552,919
	$ 3,966,095	$ 4,773,434

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, 2022 and 2021 which have been approved by the Company's board of directors on February 24, 2023 and February 25, 2022, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2022	**2021**
Employees' compensation	10%	10%
Remuneration of directors	2%	2%

Amount

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

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, 2021 and 2020.

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

g. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2022	**2021**
Foreign exchange gains	$ 438,099	$ 83,437
Foreign exchange losses	(182,528)	(118,081)
Net gains (losses)	$ 255,571	$ (34,644)

23. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 830,583	$ 1,129,357
Adjustments for prior periods	22,294	3,077
Deferred tax		
In respect of the current year	16,194	14,478
Income tax expenses recognized in profit or loss	$ 869,071	$ 1,146,912

The income tax for the years ended December 31, 2022 and 2021 can be reconciled to the accounting profit as follows:

	For the Year Ended December 31	
	2022	2021
Profit before income tax	$ 4,027,055	$ 5,749,674
Income tax expense calculated at the statutory rate (20%)	$ 804,022	$ 1,149,935
Nondeductible expenses in determining taxable income	(16,000)	(11,987)
Temporary differences	58,755	5,887
Adjustments for prior years' tax	22,294	3,077
Income tax recognized in profit or loss	$ 869,071	$ 1,146,912

b. Current tax liabilities

	December 31	
	2022	2021
Current tax liabilities		
Tax payable	$ 248,310	$ 802,962

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2022

	Balance, Beginning of Year	The Movements of Year	Balance, End of Year
Deferred Tax Assets			
Temporary difference			
Bonus	$ 10,446	$ (10,446)	$ -
Provisions	12,909	(12,909)	-

(Continued)

	Balance, Beginning of Year	The Movements of Year	Balance, End of Year
Depreciation	$ 25	$ (25)	$ -
Unrealized foreign exchange losses	1,659	1,148	2,807
	$ 25,039	$ (22,232)	$ 2,807
Deferred Tax Liabilities			
Temporary difference			
Acquisitions through business combinations	$ -	$ 11,371	$ 11,371
Financial instruments classified as held for trading	6,189	(6,038)	151
	$ 6,189	$ 5,333	$ 11,522

(Concluded)

For the year ended December 31, 2021

	Balance, Beginning of Year	The Movements of Year	Balance, End of Year
Deferred Tax Assets			
Temporary difference			
Bonus	$ 10,116	$ 330	$ 10,446
Provisions	22,377	(9,468)	12,909
Depreciation	3,612	(3,587)	25
Unrealized foreign exchange losses	3,081	(1,422)	1,659
	$ 39,186	$ (14,147)	$ 25,039
Deferred Tax Liabilities			
Temporary difference			
Financial instruments classified as held for trading	$ 5,858	$ (6,038)	$ 151
Others	-	11,371	11,371
	$ 5,858	$ 5,333	$ 11,522

d. Income tax assessments

Income tax returns through 2020 have been examined and cleared by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	2021
Basic earnings per share	$ 5.55	$ 8.09
Diluted earnings per share	$ 5.44	$ 7.97

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

Net Profit for the Periods

	For the Year Ended December 31	
	2022	**2021**
Net profit attributable to owners of the Corporation	$ 3,158,170	$ 4,602,762
Effect to dilutive potential ordinary shares:		
Employees' compensation	-	-
Earnings used in the computation of diluted earnings per share	$ 3,158,170	$ 4,602,762

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

	For the Year Ended December 31	
	2022	**2021**
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	11,323	8,898
Weighted average number of ordinary shares in outstanding computation of dilutive earnings per share	580,169	577,744

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

25. SUBSIDIARIES ACQUIRED

a. Subsidiaries acquired

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

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

b. Consideration transferred

	Get-Team Tech Corporation
Cash	$ 171,523

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

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

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

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

d. Non-controlling interests

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

e. Goodwill recognized on acquisitions

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

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

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

f. Net cash outflow on the acquisition of subsidiaries

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

26. CAPITAL MANAGEMENT

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

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

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

27. FINANCIAL INSTRUMENTS

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

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

December 31, 2022

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

December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total

Financial assets				
Financial assets at amortized cost				
Domestic corporate bonds	$ 500,000	$ -	$ 501,313	$ -	$ 501,313

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, 2022

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

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 79,200	$ -	$ -	$ 79,200
Forward exchange contracts	-	1,745	-	1,745
	$ 79,200	$ 1,745	$ -	$ 80,945
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic Listed shares	$ 977,000	$ -	$ -	$ 977,000

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

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

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

c. Categories of financial instruments

	December 31	
	2022	2021
Financial assets		
Fair value through profit or loss (FVTPL)		
Held for trading	$ 29,218	$ 80,945
Financial assets at amortized cost (Note 1)	6,295,659	9,037,601
Financial assets at FVTOCI		
Equity instruments	934,560	977,000
Financial liabilities		
Fair value through profit or loss (FVTPL)		
Held for trading	250	-
Amortized cost (Note 2)	1,089,325	2,481,193

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 and other assets.

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

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 65% and 55% of the Corporation’s sales were denominated in currencies other than the functional currency of the Corporation entity making the sale, whilst almost 15% and 18% of costs were denominated in the Corporation entity’s non-functional currency for the year ended December 31, 2022 and 2021. 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.

<u>Sensitivity analysis</u>

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, 2022 and 2021 would decrease/increase by $15,319 thousand and $19,202 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.

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 3,316,303	$ 3,939,781
Cash flow interest rate risk		
Financial assets	637,926	216,048

<u>Sensitivity analysis</u>

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, 2022 and 2021 would increase/decrease by $3,190 thousand and $1,080 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 and 2021 would increase/decrease by $282 thousand and $792 thousand, 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, 2022 and 2021 would increase/decrease by $9,346 thousand and $9,770 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:

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

3) Liquidity risk

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

a) Liquidity of non-derivative financial liabilities

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

December 31, 2022

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

Additional information about the maturity analysis for lease liabilities:

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

December 31, 2021

	On Demand or Less than 3 Month	3-6 Months	6 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Notes and accounts payable	$ 1,393,726	$ -	$ -	$ -	$ -
Lease liability	345	345	690	4,410	3,115
Payables to equipment suppliers	870,822	-	-	-	-
Other payables	216,645	-	-	-	-
	$ 2,481,538	$ 345	$ 690	$ 4,410	$ 3,115

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 1,380	$ 4,410	$ 2,715	$ 400	$ -	$ -

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, 2022

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

December 31, 2021

	On Demand or Less than 3 Month	3-6 Months	6 Months to 1 Year	1-5 Years	5+ Years
Gross settled					
Forward exchange contracts					
Inflows	$ 316,867	$ -	$ -	$ -	$ -
Outflows	(314,982)	-	-	-	-
	$ 1,885	$ -	$ -	$ -	$ -

28. TRANSACTIONS WITH RELATED PARTIES

Greatek's parent is PTI, which held 42.91% of common shares of the Corporation as of December 31, 2022 and 2021, respectively.

Details of transactions between the Corporation and related parties are disclosed below.

a. Related party name and relationship

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

b. Revenue

Account Items	Related Parties Types	For the Year Ended December 31 2022	2021
Subcontract revenue	Other related parties	$ 1,041,800	$ 1,368,567
	Parent entity	104,087	339,601
		$ 1,145,887	$ 1,708,168

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

c. Purchase

Related Parties Types	December 31 2022	2021
Parent entity	$ 22,932	$ 31,964
Fellow subsidiaries	4,547	-
	$ 27,479	$ 31,964

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

d. Contract assets

Related Parties Types	December 31 2022	2021
Other related parties	$ 36,209	$ 74,474
Parent entity	2,153	8,682
	$ 38,362	$ 83,156

For the year ended December 31, 2022 and 2021, no impairment loss was recognized for contract assets from related parties.

e. Manufacturing expenses

Related Parties Types	For the Year Ended December 31 2022	2021
Parent entity	$ 15,006	21,873
Fellow subsidiaries	-	147
	$ 15,006	$ 22,020

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

f. Trade receivables from related parties

Account Items	Related Parties Types	December 31 2022	December 31 2021
Trade receivables from related parties	Other related parties	$ 143,852	$ 279,087
	Parent entity	25,478	156,711
		$ 169,330	$ 435,798

g. Other receivables

Account Items	Related Parties Types	December 31 2022	December 31 2021
Prepaid expenses and other current assets	Parent entity	$ 1,149	$ 10,348
	Other related parties	328	534
		$ 1,477	$ 10,882

h. Payables to related parties

Account Items	Related Parties Types	December 31 2022	December 31 2021
Trade payables	Parent entity	$ -	$ 2,268
Payables to equipment suppliers	Parent entity	$ -	$ 309

i. Accrued expenses and other current liabilities

Account Items	Related Parties Types	December 31 2022	December 31 2021
Accrued expenses and other current liabilities	Parent entity	$ 1,589	$ 4,732

j. Acquisitions of property, plant and equipment

Related Parties Types	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Fellow subsidiaries	$ -	$ 11,617
Parent entity	-	2,083
	$ -	$ 13,700

k. Compensation of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term benefits	$ 120,256	$ 168,082
Post-employment benefits	211	281
	$ 120,467	$ 168,363

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.

	December 31	
	2022	2021
Pledge deposits (classified as other asset - noncurrent)	$ 118,700	$ 108,700

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencie of the Corporation at December 31,2022 was as follows:

a. Significant unrecognized commitments

1) In March 2021, Greatek signed a contract worth $510,000 thousand with Jian Ming Contractor Co., Ltd. for the construction of a new plant. As of December 31,2022, the Corporation has paid a total of $510,000 thousand.

2) In June 2021, Greatek signed a contract worth $980,000 thousand with Jiu Han System Technology Co., Ltd. to set up MEP systems. As of December 31,2022, the Corporation has paid a total of $882,000 thousand.

3) In July 2021, Greatek signed a contract worth $360,000 thousand with Jiu Han System Technology Co., Ltd. to set up clean rooms and plumbing systems. As of December 31,2022, the Corporation has paid a total of $324,000 thousand.

4) In September 2021, Greatek signed a contract worth $378,000 thousand with Jiu Han System Technology Co., Ltd. to set up MEP systems. As of December 31,2022, the Corporation has paid a total of $340,200 thousand.

5) 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 31,2022, the Corporation has paid a total of $248,400 thousand.

6) 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 31,2022, the Corporation has paid a total of $125,400 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:

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

	December 31, 2021		
	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 88,247	27.630 (USD:NTD)	$ 2,438,262
Non-monetary items			
Derivative instruments			
USD	11,400	27.642 (USD:NTD)	$ 1,745
Financial liabilities			
Monetary items			
USD	18,682	27.730 (USD:NTD)	518,063
JPY	473,548	0.2425 (JPY:NTD)	114,835
EUR	388	31.520 (EUR:NTD)	12,233
			$ 645,131

For the years ended December 31, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were $255,571 thousand and $(34,644) 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: Table 2 (attached).

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 3 (attached).

h. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

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, 2022 and 2021 are shown in the consolidated income statements for the years ended December 31, 2022 and 2021. The segment assets as of December 31, 2022 and 2021 are shown in the consolidated balance sheets as of December 31, 2022 and 2021.

b. Revenue from major products and services

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

	For the Year Ended December 31	
	2022	2021
Assembly services	$ 13,461,390	$ 16,492,522
Testing services	2,488,919	2,968,621
	$ 15,950,309	$ 19,461,143

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.

	Revenue For the Year Ended December 31		Non-current Assets December 31	
	2022	2021	2022	2021
Taiwan	$ 9,763,282	$ 14,269,954	$ 14,668,824	$ 13,941,475
Asia	2,373,867	1,525,037	-	-
America	2,348,108	2,174,305	-	-
Europe	1,464,754	1,491,789	-	-
Africa	298	58	-	-
	$ 15,950,309	$ 19,461,143	$ 14,668,824	$ 13,941,475

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

d. Major customers

For the years ended December 31, 2022 and 2021, sales to customers amounting were less than 10% of total gross sales.

TABLE 1

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(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, 2022				Note
				Shares (Thousands)	Carrying Value	% of Ownership	Fair Value	
Greatek Electronics Inc.	Fund							
	Yuanta Global Leaders Balanced Fund-USD	-	Financial assets at fair value through profit or loss - current	2,844	$ 28,209	-	$ 28,209	Note 1
	Bond							
	P08 Taipower 3A	-	Financial assets at amortized cost – current	50	50,000	-	50,041	Note 2
	P08 Taipower 3A	-	Financial assets at amortized cost - noncurrent	50	50,000	-	50,041	Note 2
	Stock							
	Powertech Technology Inc.	Parent entity	Financial assets at fair value through other comprehensive profit or loss - noncurrent	11,800	934,560	2	934,560	Note 3
	SAMHOP Microelectronics Corp.	-	Financial assets at fair value through profit or loss - noncurrent	268	-	3	-	Note 4
	Terawins Inc.	-	Financial assets at fair value through profit or loss - noncurrent	643	-	2	-	Note 4
	Airwave Technologies Inc.	-	Financial assets at fair value through profit or loss - noncurrent	93	-	1	-	Note 4

Note 1: The fair value was based on the net asset value of the fund as of as of December 31, 2022.

Note 2: The fair value was based on trading market in hundreds of new Taiwan dollars as of December 31, 2022.

Note 3: The fair value of common shares was based on stock closing price as of December 31, 2022.

Note 4: The fair value was based on the carrying value as of as of December 31, 2022.

Note 5: As of December 31, 2022, the above marketable securities had not been pledged or mortgaged.

TABLE 2

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars

Buyer	Property	Transaction Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty is a Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Greatek Electronics Inc.	Building	2022.04.18	$ 414,000	$ 248,400	Jian Ming Contractor Co., Ltd.	None	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Dormitory	None
	MEP systems of the dormitory	2022.07.18	418,000	125,400	Jiu Han System Technology Co., Ltd.	None	Not applicable	Not applicable	Not applicable	Not applicable	The two sides agreed	Dormitory	None

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, 2022
(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	$ 680,952	4	Net 60 days from monthly closing dates	Note	-	$ 86,769	4	-
	Realtek Singapore Private Limited	Same parent company with the corporate director	Sale	349,247	2	Net 60 days from monthly closing dates	Note	-	55,884	3	-
	Powertech Technology Inc.	Parent company	Sale	104,087	1	Net 90 days from monthly closing dates	Note	-	25,478	1	-

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

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Transaction Flow	Intercompany Transactions			
			Financial Statement Item	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
Greatek Electronics Inc.	Get-Team Tech Corporation	1	Subcontract costs	$ 23,742	Note 2	-
	Get-Team Tech Corporation	1	Accounts payables	34,600	Note 2	-

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

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

TABLE 5

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2022	December 31, 2021	Number of Shares	% of Ownership	Carrying Value			
Greatek Electronics Inc.	Get-Team Tech Corporation	Hsinchu	Metal plating on semiconductor lead frame	$ 171,523	$ -	7,796,498	97.46	$ 164,386	$ (368)	$ (7,137)	Subsidiary

TABLE 6

GREATEK ELECTRONICS INC.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

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