

Greatek Electronics Inc.
Operation for the Prevention of Insider Trading

1. Operating procedures :

- (1) To establish and maintain the information of insiders and shareholders who hold more than 10% of the shares of the company.
- (2) Definition on the scope of the internal material information that is capable of affecting the stock prices:
 - 1 Pursuant to the paragraph 1 of Art. 157-1 and Art. 22-2 of Securities and Exchange Act, the prevention of insider trading shall be applied to the company.
 - 2 Pursuant to the paragraph 1 of Art. 157-1 of Securities and Exchange Act, upon actually knowing of any information that will have a material impact on the price of the securities of the issuing company, prior to the public disclosure of such information or within 18 hours after its public disclosure, a person shall not purchase or sell shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company, in any violation of the regulations shall constitute an event of insider trading.
 - 3 The company defines the scope of information that is capable of affecting the stock prices in accordance with the Art. 2 and Art. 3 in “Regulations Governing the Scope of Material Information and the Means of its Public Disclosure” announced by Financial Supervisory Commission R. O. C.
- (3) The confidential operation and prevention on the transferring of information that is capable of affecting the stock prices prior to the disclosure to outside parties:
 - 1 Company’s directors, supervisors, managerial officers and employees shall exercise the duty of care and fiduciary of a good administrator and act in good faith when performing their duties.
 - 2 NO insiders and quasi-insider having knowledge of any internal material information of the company may divulge such information to others.
 - 3 NO insiders and quasi-insider of the company may seek to obtain or collect any internal material information of the company from a person having knowledge of such information and such information is not within the scope of their office functions. They also may not divulge to others any non-public internal material information of the company coming to their knowledge not as a result of performing their duties.
 - 4 Any organization or person outside of the company that is involved in any corporate action of the company relating to a merger& acquisition, major memorandum of understanding, strategic alliance or other business partnership plan, or the execution of a material contract may be required to sign a non-disclosure

agreement according to the requirements, and shall be required not to divulge the company' s internal material information thus acquired to others.

- 5、The company shall reinforce the training education or promulgation on insiders and personnel of the company who conduct activities related to material information.
 - 6、Shareholder services, financial conditions, operations, board of directors, and other important units shall be strengthened in the respect of management and the receiver of material information shall be strictly controlled.
 - 7、Monitor the transfers of shares from insiders regularly or occasionally.
 - 8、The transmitting of files containing the internal material information shall be maintained in confidence and safety.
 - 9、Files, documents, and electronic records containing material information shall be kept in safe places and properly backed up.
- (4)、The information, time, way, and personnel in respect of any disclosure of material information to outside parties that is capable of affecting the stock prices:
- 1、The following principles shall be complied when making disclosure of material information:
The information shall be disclosed in an accurate, complete and timely manner.
The information shall be disclosed on a well-founded basis.
The information shall be disclosed on a fair basis.
 - 2、The records of any disclosure of material information shall be properly kept in safety.
 - 3、Any disclosure of the company' s internal material information shall, unless otherwise provided by laws or regulations, be made by the company' s spokesperson, or, as the case may be, by any person duly acting as a deputy spokesperson following an established sequential order for acting in such capacity; When necessary, the disclosure may be made directly by a responsible person of the company. The company' s spokesperson or deputy spokesperson shall communicate to outside parties only information within the scope authorized by the company, and no personnel of the company other than those serving as the company' s responsible person, spokesperson, or deputy spokesperson may disclose any internal material information of the company to outside parties without authorization.
 - 4、If any media agency releases information that in any respect is inconsistent with material information disclosed by the company, the company shall make a clarification announcement on the Market Observation Post System (MOPS) and also request the media agency to correct the information if the Competent Authority has made the requirement or it is considered by the company that there is necessity on the clarification of information.

(5) Others

- 1、This Operation for the Prevention of Insider Trading shall be incorporated into the company's internal control system.
- 2、For any personnel of the company without authorization discloses internal material information or communicates to any outside party any information beyond the scope authorized by the company, the company shall pursue disciplinary action and take appropriate legal measures. If any person outside the company divulges any internal material information of the company and thereby causes damage to any property or interest of the company, the company shall pursue appropriate measures to hold legally liable the person divulging such information.