

TWSE Code: : 2441



超豐電子股份有限公司
GREATEK ELECTRONICS INC.

2023 ANNUAL REPORT



No. 136, Gongyi Rd., Zhunan Township, Miaoli County, Taiwan

Publication Date: April 1, 2024

This Annual Report is available at :

Market Observation Post System (MOPS) : <https://mops.twse.com.tw>

Company website: <https://www.greatek.com.tw>

I. Spokesperson

Name: Sheng Chen

Title: Vice President, Administration Division

Tel: (037)638-568

Email: sheng@greatek.com.tw

Deputy Spokesperson:

Name: Mei-Ling Lin

Title: Manager of Finance & Accounting Dept.

Tel: (037)638-568

Email: karimlin@greatek.com.tw

II. Contact Information of Headquarters, Branches and Plants

Headquarters: No. 136, Gongyi Rd., Jiaying Vil., Zhunan Township, Miaoli County, Taiwan

Tel: (037)638-568

Plant I: No. 136, Gongyi Rd., Jiaying Vil., Zhunan Township, Miaoli County, Taiwan

Tel: (037)638-568

Plant II: No. 112, Gongyi Rd., Jiaying Vil., Zhunan Township, Miaoli County, Taiwan

Tel: (037)638-568

Plant III: No. 9, Zhongmin Rd., Minsheng Vil., Toufen City, Miaoli County, Taiwan

Tel: (037)638-568

Plant V: No. 11, Zhongmin Rd., Minsheng Vil., Toufen City, Miaoli County, Taiwan

Tel: (037)638-568

Plant WT1: No. 10, Ln. 178, Gongyi Rd., Zhunan Township, Miaoli County, Taiwan

Tel: (037)638-568

Plant WT2: No. 158, Gongyi Rd., Zhunan Township, Miaoli County, Taiwan

Tel: (037)638-568

III. Share Transfer Agency:

Name: Yuanta Securities Co., Ltd. Registrar and Transfer Agency Dept.

Address: B1F, No. 210, Sec. 3, Chengde Rd., Taipei City, Taiwan

Tel: (02)2586-5859

Website: www.yuanta.com.tw

IV. Information on the CPA in the Financial Statement for the Most Recent Fiscal Year

Name of Accounting Firm: Deloitte Taiwan

Name of CPA: Cheng-Chih Lin & Su-Li Fang

Address: 6F, No. 2, Zhanye 1st Rd., Hsinchu City, Taiwan

Tel: (03)578-0899

Website: www.deloitte.com.tw

V. Offshore Secondary Exchange and Disclosure Information Available at:

Not Applicable.

VI. Company Website: <https://www.greatek.com.tw>

Table of Contents

Letter to Shareholders	1
2023 Business Report	4
Company Overview	8
Corporate Governance Report	
I. Organizational System	12
II. Information About Directors, President, Vice President, Assistant Vice President, and Heads of Departments and Branches	15
III. Remuneration Paid to Directors, President, and Vice President in the Most Recent Year	28
IV. Status of Corporate Governance	34
V. Information on CPA Fees	88
VI. Information on Replacement of CPAs	88
VII. Company Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Accounting Firm or at an Affiliated Enterprise of Such Accounting Firm	89
VIII. Equity Transfer or Changes of Equity Pledged by Directors, Managerial Officers, and Shareholders with 10 Percent Shareholdings or More in the Most Recent Year and Up to the Date of Publication of the Annual Report	90
IX. Relationship Information on the Company's Ten Largest Shareholders who are Related Parties or Relatives within the Second Degree of Kinship	91
X. Total Number of Shares Held by the Company, its Directors, Managerial Officers, and Companies Directly or Indirectly Controlled by the Company	92
Capital Overview	
I. Capital and Shares	93
II. Corporate Bonds	99
III. Preferred Shares	99
IV. Overseas Depository Receipts	99
V. Employee Stock Options	99
VI. Restricted Employee Shares	99
VII. Status of New Shares Issuance in Connection with Mergers and Acquisitions	99
VIII. Implementation of Capital Utilization Plan	99
Operational Highlights	
I. Business Activities	100
II. Market and Industry Overview	106
III. Employee Status	110
IV. Environmental Expenditures	110
V. Labor Relations	111
VI. Information and Communications Security Management	113
VII. Important Contracts	116

Financial Overview

I.	Condensed Balance Sheets and Statements of Comprehensive Income	117
II.	Financial Analysis	123
III.	Audit Committee's Report on the Financial Statements for the Most Recent Fiscal Year	127
IV.	Financial Statements for the Most Recent Fiscal Year	128
V.	CPA Certified Parent Company Only Financial Statement for the Most Recent Fiscal Year	189
VI.	If the Company or its Affiliates Experienced Financial Difficulties in the Most Recent Year, up to the Date of the Annual Report Publication, the Annual Report Shall Explain How Said Difficulties Will Affect the Company's Financial Situation ..	244

Review and Analysis of Financial Position and Financial Performance and Risk

Evaluations

I.	Financial Position	245
II.	Financial Performance	245
III.	Cash Flow	246
IV.	The Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year	247
V.	Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plans for Improving Reinvestment Profitability, and Investment Plans for the Coming Year	247
VI.	Risk Analysis and Assessment	248
VII.	Other Important Matters	253

Special Disclosure

I.	Information Related to the Company's Affiliates	254
II.	Private Placement of Securities During the Most Recent Fiscal Year up to the Date of Publication of the Annual Report	257
III.	Holding or Disposal of Shares in the Company by the Company's Subsidiaries During the Most Recent Fiscal Year up to the Date of Publication of the Annual Report	257
IV.	Other Matters Requiring Additional Description	257

Any Matter which May Materially Affect Shareholders' Equity or the Price of the Company's Securities	258
---	------------

Letter to Shareholders

At the 2024 Annual Shareholders' Meeting

Dear Shareholders,

After the tremendous increase in demand during the pandemic, from the second quarter of 2022, the global economy has been stagnant, affected by inflation, ongoing interest rate hikes in various countries, and China's economic downturn following the pandemic lockdowns. In 2023, purchasing power around the world remained sluggish, posing significant challenges at historic high for Greatek. While certain electronic products may experience rush or short-term orders as a result of destocking and new applications, the overall capacity utilization remains low. Based on statistics from the Industrial Technology Research Institute (ITRI), the production value of Taiwan's IC industry decreased by 10.2% in 2023 compared to 2022. More specifically, the IC packaging industry declined by 15.6%, while the IC testing industry declined by 12.8%, both compared to 2022. Greatek's consolidated revenue of 2023 was NT\$13.57 billion, with a consolidated net profit after tax of NT\$1.997 billion, representing a decline of 14.9% and 36.8% compared to 2022, respectively. Despite falling short of expectations, the company's performance remains above the industry average. Furthermore, due to the company's continued profitability, the debt ratio remained at only 12%, indicating a very sound financial structure.

Looking ahead to 2024, the economic recovery will be hindered by negative factors such as inflation and geopolitics. However, the slow-down in customer inventory adjustment is nearing closure, and demand is beginning to rebound from spot orders to more sustained stable levels, making 2024 a year filled with hope. Greatek will prudently manage capital expenditures, make good use of existing capacity, rigorously control costs, and enhance profitability. Moreover, we will accelerate the development of third-generation semiconductors, develop high-end testing capabilities, and the production of advanced BGA packages. This will be complemented by advancements in technology through automation of production lines and optimization of product portfolio. Expanding the customer base will also be pursued to mitigate the impact of economic cycles on company performance.

Riding the wave of the industry in 2023, Greatek implemented the following strategies to pursue sustainable growth:

1. Initiate Succession Plan :

You-Chang, Chi, a senior Vice President of the parent company, has been appointed as the Chief Operating Officer and Executive Vice President of Greatek. He will be trained as a successor to the President.

Under the dedicated leadership of President Louis Ning, Greatek has successfully overcome various challenges over its 28-year history, including the startup phase, product and process transformations, financial crises, and the COVID-19 pandemic. This enduring commitment has cultivated a culture of excellence, diligence, and simplicity, establishing a solid foundation for Greatek's current stability. President Ning will retire after this year's shareholders' meeting, but will continue to serve as a consultant for Greatek for two years. Mr. You-Chang Chi, the current Chief Operating Officer of Greatek, will assume the position of President. Mr. Chi was transferred to Greatek from Powertech Technology Inc. in early 2022, where he served as a senior vice president responsible for a business unit. He brings with him over thirty years of experience in engineering and management in the packaging and testing field. During his tenure as the Chief Operating Officer of Greatek, he has gained a thorough understanding of the company's customers, suppliers, products, company culture, and business model and philosophy. We believe that under Mr. Chi's leadership, Greatek will be able to create a bright future!

2. Talent Cultivation :

To expand the company's operations and enhance the competitiveness; talent cultivation and training will also commence per site, four outstanding managers have been promoted to the positions of Vice President, overseeing Domestic Sales Division, International Sales Division, Research and Development Division, and Wafer-level Package Division, respectively.

3. Organizational Restructuring :

In order to achieve lean management, enhance specialization, and strengthen quality, operation, manufacturing equipment, process integration, research and development divisions will be reorganized functions to maximize and achieve optimal efficiency in different fields of expertise.

In the future, Greatek will continue to uphold the principles of integrity and practicality, and enhance production technology, quality, cost, efficiency, and services. Moreover, we will rely on the cooperation and support of customers and suppliers to achieve mutual growth. In addition to economic performance, we spare no effort in environmental protection and corporate sustainability. We strive to develop energy-saving solutions and utilize green energy in our processes, aiming to reduce greenhouse gas emissions and promote net zero carbon reduction.

A big thank you to all the shareholders for your support and encouragement to the entire staff and management team of Greatek. Your support brings the Company together to achieve excellencies.

We wish

you good health and fortune.

Chairman: Boris Hsieh

Greatek Electronics Inc.

2023 Business Report

Looking at the global semiconductor trends, in the first half of 2023, central banks around the world continuously tightened monetary policies to curb inflation, resulting in sluggish demand for end products such as mobile phones, tablets, and personal computers. The consumer market was weak, and distributors continued to adjust inventory. The overall economy experienced a significant downturn, leading to a noticeable decrease in orders for the packaging and testing industry at the downstream of the industry chain. The World Semiconductor Trade Statistics (WSTS) revised its forecast for 2023 semiconductor production in February 2024 to US\$526.8 billion, a year-on-year decrease of 8.2%. The ITRI Industrial Economics and Knowledge Center estimated in February 2024 that Taiwan's IC production value in 2023 would be NT\$4,342.8 billion, a year-on-year decline of 10.2%, while the IC packaging and testing industry is expected to decrease by 14.75%. In January 2024, Gartner estimated that the global semiconductor revenue in 2023 would reach US\$533.0 billion, a year-on-year decline of 11.1%. As the central banks lifted rates to fight against inflation and the high interest rate environment was a drag on economic growth, the International Monetary Fund (IMF) adjusted the global economic growth projection for 2023 to 3.1% in January 2024. With the global inflation slowing down in 2024 and the gradual upturn in economic activities, the demand for advanced packaging and testing will be driven by applications such as electric vehicles, AI personal computers, and mobile phones, and the packaging and testing industry is expected to recover.

I. Implementation results of the 2023 Business Report:

After the second half of 2022, the semiconductor industry experienced a sharp downturn. The overall economy was weak, the end demand was sluggish, and the consumption of the business and consumer markets disappointed. The 2023 operating revenue was NT\$13.57 billion, representing a 14.9% decrease from NT\$15.95 billion in 2022. Consolidated gross margin was 20.9%, showing a 5.6% decline from 26.5% in 2022. In terms of earnings, the consolidated net income after tax was NT\$1.997 billion, representing a 36.8% lessen from NT\$3.158 billion in 2022. The consolidated earnings per share (EPS) was NT\$3.51, which was reduced by 36.8% from NT\$5.55 in 2022.

II. Budget implementation:

Greatek did not disclose its financial forecast in 2023.

III. Financial Revenue and Profitability Analysis:

Greatek's operating principles include robust growth, proactive innovations, and prudent investments. Due to the weak overall economy in 2023, capital expenditures were tightened, capital expenditures amounted to approximately NT\$1.35 billion, and most of which went toward increasing packaging and testing capacity and improving production efficiency and costs. The Company's ending cash balance as of December 31, 2023 was NT\$4.7 billion due to continued profitability and adequate financial income and expenditure controls. The current ratio was 358%, helping the Company to maintain sound and robust financial structure. Financial income and expenditure and profitability analysis are stated as follows:

1. Financial Income & Expenditure

Consolidated Statements of Cash flows in 2023:

- (1) Net cash inflow from operating activities: NT\$4,520,999 thousand (mostly attributable to net profit and depreciation)
- (2) Net cash outflow from investing activities: NT\$(1,462,093 thousand), mostly attributable to acquisition of property, plant, and equipment.
- (3) Net cash outflow from financing activities: NT\$(2,179,821 thousand), mostly attributable to distribution of cash dividends.

2. Profitability Analysis

Item/Year	2023	2022
Return on asset (%)	8.16	12.40
Return on equity (%)	9.41	15.13
Net profit ratio (%)	14.71	19.80
Earnings per share (NT\$)	3.51	5.55

IV. Research & Developments

Greatek is committed to expanding the R&D department; on top of retaining industry-specific elites, we also continue to recruit talents to enhance R&D capacity, develop new products, and to improve production processes. Greatek's production skills and product developments are aligned with the demand in the electronic end product market and customer needs. Electronic products have recently been developing towards high performance, high integration, high security, low cost, and low power consumption. In 2023, the Company committed its production capacity to enhance QFN Dual Row/Wettable product manufacturing capability; to enhance WB QFN power IC multi-chip and thick wire product manufacturing capability; to enhance the packaging and testing ability for third generation semiconductor materials (gallium nitride; GaN & SiC); to develop MIS Package products; and to develop 12"FOW product manufacturing capability.

The R&D expense in 2023 was NT\$248 million, accounting for 1.8% of full year revenue.

V. Summary of the 2024 Business Plan

1. Operating Directions and Production and Marketing Policies

- (1) By upholding a customer and service-oriented approach, the Company will enhance its overall quality, technologies, and efficiency. And expand the product line according to the needs of customers in order to provide professional services that satisfy its customers.
- (2) To invest prudently and to fully utilize our facilities and equipment so as to realize the maximum benefits from our production capacity.
- (3) To actively research and develop new processes and new materials; to reduce costs; to achieve operating goals; and to generate profit.
- (4) Founded on integrity, Greatek will make lasting and stable profits for the Company and its customers and suppliers.
- (5) To establish a fair, reasonable and comprehensive system and to build an ideal work environment for the employees in order to build collective awareness, cohesion, and teamwork.
- (6) The Company will strengthen professional training, encourage lifelong learning, and train talents to achieve sustainable management.

- (7) To upgrade both software and hardware and to build effective preventive systems and management mechanisms; to actively protect Greatek's information security; and to provide a safe operating and production environment.
- (8) Striving for corporate sustainable development, Greatek is committed to environmental protection, energy conservation and carbon reduction, corporate governance, and corporate social responsibilities.

2. Sales Volume Estimate

Based on the industry outlook, future market demand, and the Company's capacity, the estimated sales volume of the Company in 2024 is as follows:

Sales item	Estimated sales volume
Packaging	Approx. 8.3 billion units
W/T testing	Approx. 450,000 units
F/T testing	Approx. 5.0 billion units
WLP	Approx. 180,000 units
WLCSP	Approx. 400 million units

3. Future Growth Strategies

- (1) To actively seize and maintain existing long-term partnerships with customers to increase the share of their demand allocation.
- (2) To actively expand to front-line customers and to strategically expand to world-class customers to strengthen our customer mix and to accelerate revenue growth.
- (3) To stay on top of market trends, to remain aligned to customers' new product development, and to actively plan and build new product capacity.
- (4) Research and develop packaging and testing technologies and skills that cater to market demand to achieve both technical and cost competitiveness.
- (5) To actively introduce relevant certifications that are of international recognitions and standards, in line with applicable laws and regulations to unlock more opportunities for the business.
- (6) To increase equipment automation and strengthen information management, enhance the operating efficiency in production and sales and product quality, thereby reducing costs and enhancing profitability.
- (7) To actively expand overseas investments in response to the international trading trend and customer needs, as well as planning for long-term production and sales development of the Company.

The World Economic Outlook report, published by the IMF in January 2024, indicated that under the impact of inventory clearance and tight monetary policies, the 2024 global inflation rate is expected to decrease to 5.8%. As the United States, emerging markets, and developing economies have shown strong resilience, and China has provided financial support, the 2024 global GDP is expected to be 3.1%. WSTS estimated in February 2024 that the global semiconductor market will experience a strong growth of 13.1% in 2024, with production value reaching a record high of US\$595.8 billion. In December 2023, Gartner predicted that the semiconductor revenue for 2024 would grow to US\$624.0 billion, up 16.8% from the previous year. The global economy is dynamic and changeful and full of various uncertainties, and regionalization of supply chains, uncertain

economic prospects of China, global financial market volatility due to monetary policy trends of major economies, complex geopolitical issues, climate change, etc., affect the supply and demand, as well as the price of energy, agricultural and industrial raw materials. Based on the insights of major economic forecasting agencies, 2024 is expected to be a year containing silver linings.

Greatek is always on top of the economic and industry changes, and executes the optimal response in terms of production and sales strategies. In addition to developing advanced processes and enhancing R&D capacity, the Company is also committed to developing new customers home and abroad. Greatek's key developments in 2024 include: to enhance the packaging ability for third generation semiconductor materials (GaN) product manufacturing capability : High thermal PKG (Epoxy/ 2.0mil Cu) 、 to develop Tri-Temp Test capability, to develop 2.5mil Cu Wire 、 to develop Thin Package BGA (0.6mm PKG thickness) and to develop QFN PKG $\geq 14 \times 14$ mm products. As for cost control, the Company will continue to improve processes and the use of raw materials, as well as enhancing equipment productivity. Greatek aspires to satisfy the needs of even more customers by relying on our excellent product quality, well-rounded service, and competitive edge in costs.

Chairman: Boris Hsieh

President: Louis Ning

Accounting Manager: Mei-Ling Lin

Company Overview

I. Date of Incorporation: March 7, 1983

II. Company History

- February 1983 - Company was founded as a limited company under the name of "He Teh Integrated Circuit Co. Ltd." with paid-in capital of NT\$1 million at 11-1F, No. 150, Sec. 1, Zhongxiao E. Rd., Taipei City, Taiwan.
Scope of business included manufacturing and trading of various integrated circuit (IC), IC design, bidding, quotation, and distribution of related products from domestic and overseas enterprises, and import/export of related businesses.
- March 1983 - Company registration was approved.
- June 1984 - Authorized to amend the organizational structure as a company limited by shares.
- August 1995 - Purchased 4,450 square meters (or 1,376 pings) of factory land at No. 358, Hexing Rd. at Zhunan Industrial Area.
Total construction area was 9,474.24 square meters (or 2,865 pings).
- October 1995 - Relocated to No. 1, Ln. 363, Guangfu Rd., 17 Neighborhood, Shanjia Vil., Zhunan Township, Miaoli County.
Company name was amended to "Greatek Electronics Inc."
Additional scope of business: testing and packaging of integrated circuit (IC).
- December 1995 - Authorized to establish the Hexing Plant.
Plant address: No. 358, Hexing Rd., Zhunan Township, Miaoli County.
- March 1996 - Became a public company.
- May 1996 - Hexing Plant officially adopted mass production and Greatek was relocated to No. 358, Hexing Rd., Zhunan Township, Miaoli County.
- June 1997 - Purchased 10,079.44 square meters (or 3,049 pings) of factory land for Gongyi Plant No. 1.
- November 1997 - Began construction of Gongyi Plant I; total construction area was 35,434.31 square meters (or 10,719 pings).
Establishment of Gongyi Plant I was approved.
- April 1998 - Passed and received the ISO 9002 Quality Management System certification.
- July 1998 - Selected as recipient of the "Tax ID Leader of the Year" by the Ministry of Finance.
- September 1998 - Honored with "Asia Pacific Contemporary Outstanding Enterprise Award" from the Chunghwa International Commerce Promotions Association.
- November 1998 - Gongyi Plant I began operation.
- December 1998 - Relocated to No. 136, Gongyi Rd., Zhunan Township, Miaoli County, Taiwan.
"Exemplary Foreign Worker Management Award" from the Miaoli County Police Bureau.
- May 1999 - Received "1999 Private Enterprise with Outstanding Work Environment Award" from the Council of Labor Affairs of the Executive Yuan.
"Disaster Prevention Alliance Outstanding Teamwork Award" from the Council of Labor Affairs of the Executive Yuan.

- June 2000 - Approved to serve as a bonded factory.
- August 2000 - Passed and received QS 9000 Quality Management System certification.
- October 2000 - IPO of Greatek's ordinary shares, which are traded under the stock symbol 2441.
- November 2000 - Received "Industrial Excellence Award" from the Industrial Development Bureau, Ministry of Economic Affairs (MOEA).
- November 2001 - Passed and received ISO 14001 Environmental Management System certification.
- July 2002 - Selected as recipient of the "Tax ID Leader of the Year" by the Ministry of Finance.
Issued NT\$200 million of corporate bonds.
- November 2002 - Received "Golden Merchant Award" from the General Chamber of Commerce of the Republic of China.
- May 2003 - Passed and received the ISO 9001:2000 Quality Management System certification.
- August 2003 - Issued NT\$1 billion of convertible bonds.
Certified as a SONY Green Partner.
- May 2005 - Passed and received the ISO 14001:2004 Environmental Management System certification.
- August 2006 - Purchased 3,414.77 square meters (or 1,033 pings) of factory land for Wafer Testing Plant.
- December 2006 - Began construction of Wafer Testing Plant; total construction area was 7,325.83 square meters (or 2,216 pings).
- January 2007 - Passed and received ISO TS16949 Automotive Quality Management System certification.
- August 2007 - Wafer Testing Plant began operation.
- December 2007 - Received "Recruitment of Indigenous Workers Award" from the Miaoli County Government.
Issued NT\$200 million of employee stock option certificates.
- June 2008 - Received "2007 National Occupational Health and Safety Cooperation Organization Service Excellence" from the Council of Labor Affairs of the Executive Yuan.
- August 2008 - Purchased 17,033.36 square meters (or 5,153 pings) of factory land for Gongyi Plant II.
- November 2008 - Began construction of Gongyi Plant II; total construction area was 41,328.49 square meters (or 12,502 pings).
- September 2009 - Received "Excellent Enterprise for Recruitment of Physically and Mentally Challenged Workers" from the Taoyuan, Hsinchu and Miaoli Area Employment Center of Workforce Development Agency, Ministry of Labor.
- December 2009 - Passed and received ISO 9001:2008 Quality Management System certification.
Passed and received ISO TS16949:2009 Automotive Quality Management System certification.
- January 2010 - Gongyi Plant II began operation.
Disposed of Hexing Plant.
- October 2011 - Received "Outstanding Bonded Factory Award" from Taichung Customs of

Customs Administration, Ministry of Finance

- February 2012 - Powertech Technology Inc. publicly acquired 244,064,379 shares of Greatek's ordinary shares and became a major shareholder holding 10% or more of Greatek's shares.
- April 2012 - Re-elections were held during Interim Shareholders' Meeting, and Powertech Technology Inc. officially joined Greatek's management team.
- December 2013 - The first employee stock option certificates issued in 2007 had expired, and cumulatively 17,686,000 shares were subscribed by employees during its subscription period.
- January 2014 - Passed and received IECQ QC 080000:2012 Hazardous Substance Process Management System certification.
- August 2014 - Acquired 25,451.88 square meters (7,699 pings) of factory land for Toufen Plant through tender offer.
- March 2015 - Total construction area of Zhunan employees' dormitories was 7,028.91 square meters (2,126 pings).
- April 2015 - Total construction area of Toufen Plant I (Greatek Plant III) was 36,100.05 square meters (10,920 pings).
Joined Electronic Industry Citizenship Coalition (EICC) as a Powertech subsidiary. EICC was subsequently reorganized and renamed as Responsible Business Alliance (RBA) on October 17, 2017.
- March 2016 - Zhunan employees' dormitories were officially in use.
- October 2016 - Toufen Plant I (Greatek Plant III) began operation.
- September 2017 - Electroplating Plant was built and began operation; total construction area was 6,665.62 square meters (2,016 pings).
Received No. 249 in "2016 Award for International Trade - Outstanding Export/Import Business" from the Bureau of Foreign Trade, MOEA.
- October 2017 - Passed and received ISO 26262:2011 Functional Safety Management System certification.
- December 2017 - Passed and received IATF 16949:2016 Automotive Quality Management System certification.
Passed and received ISO 9001:2015 Quality Management System certification.
- July 2018 - Passed and received ISO 14001:2015 Environmental Management System certification.
- September 2018 - Received No. 215 in "2017 Award for International Trade - Outstanding Export/Import Business" from the Bureau of Foreign Trade, MOEA.
- April 2019 - Passed and received ANSI/ESD S20.20-2014 Electrostatic Discharge Control Program certification.
- May 2019 - Passed and received ISO 45001:2018 Occupational Safety and Health Management System certification.
Passed and received CNS 45001 (TOSHMS) Taiwan Occupational Safety and Health Management System certification.
- August 2019 - Gongyi Plant and Toufen Plant have both passed the Validated Assessment Program (VAP) audit from Responsible Business Alliance (RBA).
- September 2019 - Passed and received the IECQ QC080000:2017 Hazardous Substance Process Management System certification.

Received No. 136 in "2018 Award for International Trade - Outstanding Export/Import Business" from the Bureau of Foreign Trade, MOEA.

September 2020 - Received No. 171 in "2019 Award for International Trade - Outstanding Export/Import Business" from the Bureau of Foreign Trade, MOEA.

December 2020 - Passed and received IATF 16949:2016 Automotive Quality Management System certification, This Certificate is valid from 2020/12 until 2023/11.
Passed and received ISO 9001:2015 Quality Management System certification, This Certificate is valid from 2020/12 until 2023/12.

May 2021 - Acquired 3,190 square meters of land (965 pings) for employee dormitories.

June 2021 - Acquired 9,496.52 square meters of land (2,873 pings) for plant expansions.

June 2021 - Passed and received ISO 14001:2015 Environmental Management System certification, This Certificate is valid from 2021/6/14 until 2024/6/13.

November 2021 - Received No. 119 in "2020 Award for International Trade - Outstanding Export/Import Business" from the Bureau of Foreign Trade, MOEA.

April 2022 - Passed and received ANSI/ESD S20.20-2014 Electrostatic Discharge Control Program certification, This Certificate is valid from 2022/4 until 2023/4.

May 2022 - Passed and received ISO 45001:2018 Occupational Safety and Health Management System certification, This Certificate is valid from 2022/5/13 until 2025/5/12.

September 2022 - Acquired 2,613.04 square meters of land (790 pings) for plant expansions.
Passed and received the IECQ QC080000:2017 Hazardous Substance Process Management System certification, This Certificate is valid from 2022/9/28 until 2026/1/2.
Passed and received ISO 26262:2018 Functional Safety Management System certification, This Certificate is valid from 2022/9 until 2026/1.

October 2022 - Greatek has acquired 97.46% of the equity of Get-Team Tech Corp., an expert in plating with which the Company will be able to provide more complete services.

October 2022 - Received No. 110 in "2021 Award for International Trade - Outstanding Export/Import Business" from the Bureau of Foreign Trade, MOEA.

April 2023 - Passed and received ANSI/ESD S20.20-2014 Electrostatic Discharge Control Program certification, This Certificate is valid from 2023/4/11 until 2024/4/10.

August 2023 - Passed and received ISO 14064-1:2018 GHGs management standards certification in 2022.

October 2023 - Received No. 106 in "2022 Award for International Trade - Outstanding Export/Import Business" from the Bureau of Foreign Trade, MOEA.

November 2023 - Passed and received IATF 16949:2016 Automotive Quality Management System certification, This Certificate is valid from 2023/11/20 until 2026/11/19.

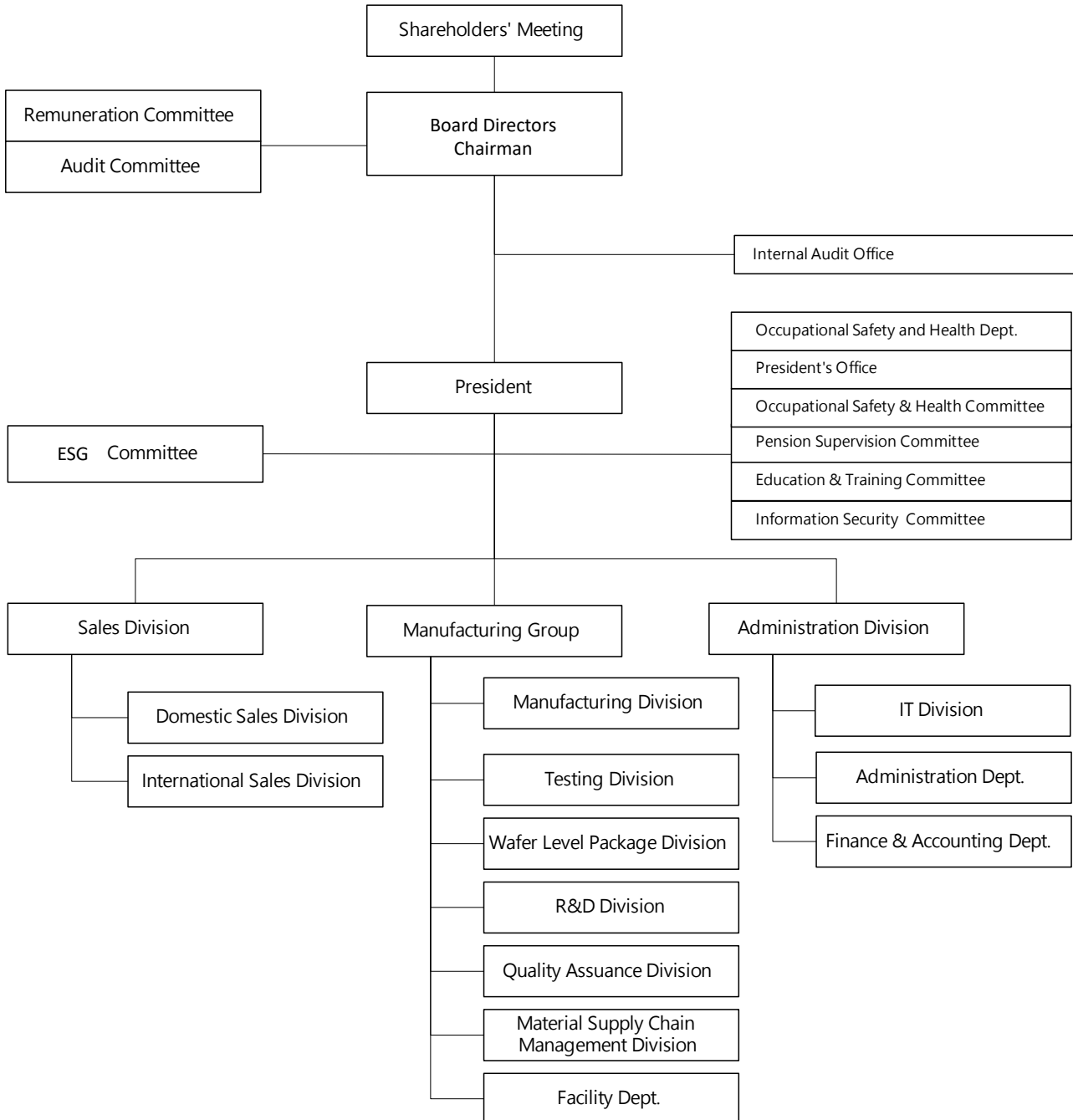
December 2023 - Passed and received ISO 9001:2015 Quality Management System certification, This Certificate is valid from 2023/12/5 until 2026/12/4.

December 2023 - Toufen employees' dormitories were officially in use, Total construction area was 15,467.82 square meters (4,679 pings).

Corporate Governance Report

Chapter 1. Organizational System:

I. Organizational Framework



II. Operations of Major Departments

1. Chairman:
Oversees the planning of Greatek's operations and implements continuous supervision and improvement of various internal controls.
2. President:
Coordinates Greatek's overall strategic objectives and executes and supervises its operations.
3. Internal Audit Office:
Reviews and evaluates the effectiveness of Greatek's internal control system.
4. ESG Committee:
Formulates, plans, and executes Greatek's Environmental, Social & governance (ESG), ethical corporate management, code of ethics and business conduct, as well as business continuity management policies.
5. Occupational Safety and Health Department:
Formulates, plans, supervises, and promotes safety and health management matters and instructs related departments on its implementation.
6. President's Office:
Plans, executes, and analyzes Greatek's operational and strategic plans.
7. Occupational Safety and Health Committee:
Formulates occupational hazard prevention programs, supervises the implementation of occupational safety and health management at each department, and implements relevant training.
8. Pension Supervision Committee:
Supervises and manages pension system and dedicated pension accounts.
9. Education & Training Committee:
Plans, supervises, and instructs matters related to training.
10. Information Security Committee:
In charge of promoting and coordinating the building and maintenance of an information security management system.
11. Sales Division:
Plans, supervises, and executes operations related to the Sales Division; business expansion, marketing, and customer service.
12. Manufacturing Division:
Oversees packaging products; plans, supervises and executes labor force, production capacity, equipment, new product development, and productivity improvement related to manufacturing; and controls and reduces manufacturing costs.
13. Testing Division:
Processes related to product testing; plans, supervises, and executes relevant labor force, productivity, equipment, testing programs, new product development and process systems; controls and reduces testing costs.
14. WLP Division:
Oversees packaging services including wafer bumping and wafer level chip scale packaging; plans, supervises, and executes relevant labor force, productivity, equipment, new product development and process systems; controls and reduces

manufacturing costs.

15. R&D Division:

Researches and develops new products and processes; compares and experiments with new materials and equipment; analyzes product abnormalities and drafts countermeasures.

16. Quality Assurance Division:

Formulates and implements operating systems including quality control, document control, and instrument calibration; handles customer complaints; tests for reliability and analyzes abnormalities.

17. Material Supply Chain Management Division:

Formulates, supervises, and executes operations related to production management, materials management, procurement, export/import and bonded warehousing.

18. Facility Department:

Supplies and maintains equipment related to water, electricity, gas, and air conditioning throughout the plant; carries out fire management training and maintains related facilities; controls and manages air pollution, wastewater, and effluents.

19. Administration Division:

Formulates, supervises, and implements procedures related to management information, administration, HR, and finance and accounting; drafts and amends management systems and promotes public relations.

Chapter 2 Information About Directors, President, Vice President, Assistant Vice President, and Heads of Departments and Branches

I. Information on Directors (I)

As of March 31, 2024

Title (Note 1)	Nationality/Place of Registration	Name	Age & Gender (Note 2)	Date Elected/Assumed Office	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Shares Held by Spouse & Minor Children		Shareholding by Nominees		Experience (Education) (Note 3)	Other Position Concurrently Held at Greatek and Other Companies	Executives, Directors, or Supervisors Who Are Spouses or Within the Second Degree of Kinship			Remarks (Note 4)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Director	Taiwan (R.O.C.)	Powertech Technology Inc.	-	2021.07.21	3	2012.04.03	244,064,379	42.91%	244,064,379	42.91%	-	-	0	0%	-	Corporate Director of TeraPower Technology Inc. Corporate Director of Powertech Holding (B.V.I.) Inc.; Corporate Director of Powertech Technology (Singapore) Pte. Ltd. Corporate Director of Powertech Semiconductor (Xian) Co., Ltd.	-	-	-	-
Representative of Corporate Director	Taiwan (R.O.C.)	Chairman Boris Hsieh	Male 61-70	2021.07.21	3	2012.04.03	0	0%	0	0%	0	0%	500,000	0.09%	Executive MBA, National Chiao Tung University Vice President of Hon Hai Precision Industry Co., Ltd. President of Kingston Technology Far East Co., Ltd. Senior Vice President of Powertech Technology Inc. President of Chu Cheng Technology Ltd.	Chief Executive Officer of Powertech Technology Inc. Legal Representative Director of Powertech Technology Inc. Director of Tera Probe, Inc. Chairman of Get-Team Tech Corporation	No	No	No	(Note 4)
Representative of Corporate Director	Taiwan (R.O.C.)	D.K. Tsai	Male 71-80	2021.07.21	3	2012.04.03	0	0%	0	0%	0	0%	0	0%	Department of Industrial Engineering, National Taipei University of Technology General Manager of Kingston Technology Far East Corp. Chairman of Kingston Technology Far East Co., Ltd. Legal Representative Director of Powertech Technology (Suzhou) Ltd.	Chairman and CSO of Powertech Technology Inc. Director of Tera Probe, Inc. Legal Representative Director of Powertech Holding (B.V.I.) Inc. Legal Representative Director of Powertech Technology (Singapore) Pte. Ltd. Director of Powertech Technology Akita Inc. Executive Director of Powertech Technology Japan Ltd. Legal Representative Director of PTI Technology (Singapore) Pte. Ltd. Independent Director of Chicony Power Technology Co., Ltd. Chairman of PTI Education Foundation	No	No	No	No
Representative of Corporate Director	Taiwan (R.O.C.)	Louis Ning (Note 5)	Male 61-70	2021.07.21	3	1995.11.18	2,201,224	0.39%	2,124,224	0.37%	0	0%	0	0%	Department of Physics, Chung Yuan Christian University Head of Manufacturing Department at Hua-Hsu Electronics Co., Ltd.	President of Greatek Electronics Inc.	No	No	No	No
Representative of Corporate Director	Taiwan (R.O.C.)	J.S. Leu	Male 61-70	2021.07.21	3	2012.04.03	0	0%	0	0%	0	0%	0	0%	Department of Mechanical Engineering, Feng Chia University Deputy Director of Packaging Production Division, Powerchip Semiconductor Corporation Senior Vice President of Powertech Technology Inc. Chairman of Powertech Technology (Suzhou) Ltd.	President of Powertech Technology Inc. Director of Powertech Technology Inc. Chairman of Powertech Semiconductor (Xian) Co., Ltd. Legal Representative Director of Powertech Technology (Singapore) Pte. Ltd. Legal Representative Director of PTI Technology (Singapore) Pte. Ltd. Legal Representative Director of Longforce (Suzhou) Ltd.	No	No	No	No
Representative of Corporate Director	Taiwan (R.O.C.)	Yu-Chin Chen	Male 61-70	2021.07.21	3	2021.07.21	0	0%	0	0%	0	0%	0	0%	Department of Industrial Engineering, Chung Yuan Christian University Manager of Powerchip Semiconductor Corporation Divisional Head of Powertech Technology Inc. President of Powertech Semiconductor (Xian) Co., Ltd.	Senior Vice President and COO of Powertech Technology Inc. Director of PTI Education Foundation	No	No	No	No
Director	Taiwan (R.O.C.)	Hung-Wei Venture Capital Co., Ltd. (Note 6)	-	2021.07.21	3	2007.06.11	5,823,602	1.02%	5,823,602	1.02%	-	-	0	0%	-	-	-	-	-	-
Representative of Corporate Director	Taiwan (R.O.C.)	Representative Jr-Neng Chang (Note 6)	Male 51-60	2021.07.21	3	2007.06.11	0	0%	0	0%	0	0%	0	0%	Master Degree in Accounting, National Taiwan University Legal Representative Supervisor of Greatek Electronics Inc.	Vice President of Realtek Semiconductor Corporation Director of Realtek Investment Singapore Private Limited Supervisor of RayMX Microelectronics Corp. Supervisor of MetaLex Technology Corporation	No	No	No	No

Title (Note 1)	Nationality/Place of Registration	Name	Age & Gender (Note 2)	Date Elected/Assumed Office	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Shares Held by Spouse & Minor Children		Shareholding by Nominees		Experience (Education) (Note 3)	Other Position Concurrently Held at Greatek and Other Companies	Executives, Directors, or Supervisors Who Are Spouses or Within the Second Degree of Kinship			Remarks (Note 4)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	Taiwan (R.O.C.)	Chu-Chien Feng	Male 71-80	2021.07.21	3	2015.06.10	0	0%	0	0%	0	0%	0	0%	Executive MBA., National Chiao Tung University Chairman and President of Global View Co., Ltd. Chairman of Radiant Innovation Inc. Independent Director of Avita Corporation Director of Neosys Technology INC.	Independent Director of AMPAK Technology Inc. Independent Director of Powertip Tech Corp.	No	No	No	No
Independent Director	Taiwan (R.O.C.)	Chi-Yung Wu	Male 71-80	2021.07.21	3	2018.05.29	0	0%	0	0%	0	0%	0	0%	Department of Electrical Engineering, Feng Chia University Chairman of Holtek Semiconductor Inc.	Chairman of Holtek Semiconductor Inc. Chairman of Holtek Semiconductor (Xiamen) Inc. Chairman of Holtek Semiconductor (China) Inc. Chairman of BestComm RF Electronics Inc. Chairman of Best Solution Technology Inc. Chairman of Best Modules Corp. Chairman of Holtek Investment Co., Ltd. Legal Representative Director of Holtek Semiconductor (Suzhou) Inc. Legal Representative Director of Holtek Semiconductor Holding(BVI) Ltd. Legal Representative Director of Kingtek Semiconductor Holding (BVI) Ltd. Legal Representative Director of Bestcomm RF Electronics Inc.	No	No	No	No
Independent Director	Taiwan (R.O.C.)	M.J. Chuang	Male 61-70	2021.07.21	3	2018.05.29	0	0%	0	0%	0	0%	0	0%	Department of Electrical Engineering, Musashi Institute of Technology Managing Director of Hikari Glass (H.K.) Limited President of Taiwan Business Division, HOYA Corporation President of Calin Technology Co., Ltd.	Executive Assistant of the Chairman, Overseas President and Representative of Taiwan Office of Union Optech (Zhongshan) Technology Co., Ltd.	No	No	No	No

- Note 1: The corporate shareholder shall be identified by name and representative (in the case of representative of a corporate shareholder, please specify the corporate shareholder's name) and also complete the following Table 1.
- Note 2: Please specify actual age, and the age may also be expressed as a range, for instance, Ages 41 to 50, or Ages 51 to 60.
- Note 3: For experiences related to holding the current position, if one has worked in the auditing accounting firm or its affiliated companies, he/she shall state the job title and duties.
- Note 4: Where the Chairman of the Board of Directors and the President or person of an equivalent post(the highest-ranking manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, a description shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto(for example, increase the number of Independent Directors, and having more than one-half of all Directors who do not concurrently serve as employees or managers).
To strengthen the functions of the Board of Directors and enhance corporate governance, the Board passed a resolution on February 24, 2023 to relieve Chairman Boris Hsieh of his position as CEO.
- Note 5: Representative of Corporate Director Mr. Louis Ning served as a natural-person Director of Greatek from November 18, 1995 to April 2, 2012.
- Note 6: Director Hung-Wei Venture Capital Co., Ltd. and its Representative Jr-Neng Chang served as Supervisor and Corporate Representative of Greatek from June 10, 2015 to May 28, 2018.

Table 1: Substantial Shareholders of Corporate Directors

As of March 31, 2024

Name of Institutional Shareholders	Major Shareholders
Powertech Technology Inc.	Capital Tip Taiwan Select High Dividend ETF 5.98%; Yuanta Taiwan Dividend Plus ETF 4.73%; Fuh Hwa Taiwan Technology Dividend Highlight ETF in the custody of Taipei Fubon Bank 4.28%; Dedicated investment account of Kingston Technology Corporation 3.94%; UPAMC Taiwan High Dividend Momentum ETF in the custody of Hua Nan Commercial Bank 2.02%; CHUNGHWA POST CO., LTD. 1.94%; KTC-SUN Corporation 1.81%;Hermes Investment Funds Public Limited Company in the custody of Bank of Taiwan 1.81%; KGI Life Insurance Co., Ltd.(Before : China Life Insurance Co., Ltd. (Taiwan)) 1.77%; Labor Pension Fund (The New Fund) 1.70%;
Hung-Wei Venture Capital Co., Ltd.	Realtek Semiconductor Corporation 100.00%

Note 1: For Director or Supervisor who acts as a corporate shareholder's representative, please specify the name of the corporate shareholder.

Note 2: Please specify names of the substantial shareholders of the given corporate shareholder (top ten shareholders) and the ratio of their respective shareholding. Where the substantial shareholder is a corporation, please complete the following Table II.

Note 3: If the corporate shareholder is not organized as a company, the "Names of Shareholders" and the "Ratio of Shareholding" in the preceding paragraph shall be revised to "Names of Funders or Donors" and the "Ratio of Fund or Donation".

Table 2: Substantial Shareholders of the Substantial Shareholders in Table I that are Corporations

As of April 1, 2024

Name of Institutional Shareholders	Major Shareholders
Dedicated investment account of Kingston Technology Corporation	John Tu 50%; David Sun 50%
CHUNGHWA POST CO., LTD.	Ministry of Transportation and Communications 100%
KTC-SUN Corporation	David Sun 100%
KGI Life Insurance Co., Ltd.(Before : China Life Insurance Co., Ltd. (Taiwan))	China Development Financial Holding Corporation 100%
Realtek Semiconductor Corporation	Capital Tip Taiwan Select High Dividend ETF 6.43%; Cotek Pharmaceutical Industry Co., Ltd. 4.32%; Dedicated investment account of Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF in the custody of Taishin International Bank Co. Ltd. 3.63%; Dedicated investment account of Yuanta Taiwan Dividend Plus ETF in the custody of Cathay United Bank Company Limited 2.62%; Fuh Hwa Taiwan Technology Dividend Highlight ETF in the custody of Taipei Fubon Bank 2.58%; Labor Pension Fund (The New Fund) 1.72%; Dedicated investment account from Norges Bank in the custody of CitiBank Taiwan 1.53%; KGI Life Insurance Co., Ltd.(Before : China Life Insurance Co., Ltd. (Taiwan)) 1.38%; Chiang, Ting-Chi 1.28%; JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds 1.27%

Information on Directors(II)

I. Disclosure of the Professional Qualifications of the Directors and Independence of the Independent Directors:

<div>Qualification</div> <div>Name</div>	Professional qualifications and experiences (Note 1)	Independence criteria (Note 2)	Number of other public companies where the individual concurrently serves as an Independent Director
Chairman Representative of Powertech Technology Inc. Boris Hsieh	<ol style="list-style-type: none"> Director's professional qualifications and experiences: President of Kingston Technology Far East Corp. (Semiconductor) Vice President of Hon Hai Precision Industry Co., Ltd. (Other electronics) Senior Vice President of Powertech Technology Inc. (Semiconductor) President of Jucheng Electronics Co., Ltd. (Semiconductor) Representative of Corporate Director Powertech Technology Inc. (Semiconductor) Chief Executive Officer of Powertech Technology Inc. (Semiconductor) Chairman of Get-Team Tech Corporation (Semiconductor) Director of Tera Probe, Inc. (Semiconductor) When the Director was nominated, a statement was issued stating that no condition defined in Article 30 of the Company Act has occurred. 	The Director does not have marital or kinship relationship with any other Director of the Company.	-
Director Representative of Powertech Technology Inc. D.K. Tsai	<ol style="list-style-type: none"> Director's professional qualifications and experiences: General Manager of Kingston Technology Far East Corp. (Semiconductor) Chairman of Kingston Technology Far East Corp. (Semiconductor) Chairman of Powertech Technology Inc. (Semiconductor) Legal Representative Director of Powertech Holding(B.V.I.) Inc. (Investment) Legal Representative Director of Powertech Technology(Singapore) Pte. Ltd. (Semiconductor) Legal Representative Director of PTI Technology(Singapore) Pte. Ltd. (Semiconductor) Director of Powertech Technology(Suzhou) Ltd. (Semiconductor) Director of Powertech Technology Akita Inc. (Semiconductor) Executive Director of Powertech Technology Japan Ltd. (Semiconductor) Director of Tera Probe, Inc. (Semiconductor) Chairman of Greatek Electronics Inc. (Semiconductor) Independent Director of Compal Electronics, Inc. (Computer and peripheral equipment industry) Independent Director of Chicony Power Technology Co., Ltd. (Electronic components and parts) 	The Director does not have marital or kinship relationship with any other Director of the Company.	1

<div>Qualification</div> <div>Name</div>	Professional qualifications and experiences (Note 1)	Independence criteria (Note 2)	Number of other public companies where the individual concurrently serves as an Independent Director
	2. When the Director was nominated, a statement was issued stating that no condition defined in Article 30 of the Company Act has occurred.		
Director Representative of Powertech Technology Inc. Louis Ning	1. Director's professional qualifications and experiences: Head of Manufacturing Department at Hua-Hsu Electronics Co., Ltd. (Other electronics) President of Greatek Electronics Inc. (Semiconductor) 2. When the Director was nominated, a statement was issued stating that no condition defined in Article 30 of the Company Act has occurred.	The Director does not have marital or kinship relationship with any other Director of the Company.	-
Director Representative of Powertech Technology Inc. J.S. Leu	1. Director's professional qualifications and experiences: Powerchip Semiconductor Corporation (Semiconductor) Senior Vice President at Powertech Technology Inc. (Semiconductor) President of Powertech Technology Inc. (Semiconductor) Director of Powertech Technology Inc. (Semiconductor) Chairman of Powertech Technology (Suzhou) Ltd. (Semiconductor) Chairman of Powertech Semiconductor (Xian) Co., Ltd. (Semiconductor) Director of Powertech Technology (Singapore) Pte. Ltd. (Semiconductor) Director of PTI Technology (Singapore) Pte. Ltd. (Semiconductor) Legal Representative Director of Longforce (Suzhou) Ltd. (Semiconductor) 2. When the Director was nominated, a statement was issued stating that no condition defined in Article 30 of the Company Act has occurred.	The Director does not have marital or kinship relationship with any other Director of the Company.	-
Director Representative of Powertech Technology Inc. Y.C. Chen	1. Director's professional qualifications and experiences: President of Powertech Technology (Xian) Corp. (Semiconductor) Senior Vice President and COO of Powertech Technology Inc. (Semiconductor) 2. When the Director was nominated, a statement was issued stating that no condition defined in Article 30 of the Company Act has occurred.	The Director does not have marital or kinship relationship with any other Director of the Company.	-
Director Representative of Hung-Wei Venture Capital Co., Ltd. Jr-Neng Chang	1. Director's professional qualifications and experiences: Representative of Corporate Supervisor Greatek Electronics Inc. (Semiconductor) Vice President of Realtek Semiconductor Corporation (Semiconductor) Director of Realtek Investment Singapore Private Limited (Investment) Supervisor of RayMX Microelectronics Corp. (Semiconductor) Supervisor of MetaLex Technology Corporation (Semiconductor) 2. When the Director was nominated, a statement was issued stating that no condition defined in Article 30 of the Company Act has occurred.	The Director does not have marital or kinship relationship with any other Director of the Company.	-

<div>Qualification</div> <div>Name</div>	Professional qualifications and experiences (Note 1)	Independence criteria (Note 2)	Number of other public companies where the individual concurrently serves as an Independent Director
Independent Director Chu-Chien Feng	<ol style="list-style-type: none"> Independent Director Feng has more than five years of work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company: President of Global View Co., Ltd. (November 1997 to December 2006 Other electronics) Chairman of Global View Co., Ltd. (January 2005 to December 2006 Other electronics) Chairman of Radiant Innovation Inc. (March 2000 to September 2014 Medical devices) Executive Assistant of the President of HiTi Digital, Inc. (2015 to October 2021 Computer and peripheral equipment industry) Supervisor of CHC Technology Inc. (August 2018 to October 2021 Computer and peripheral equipment industry) Independent Director of Avita Corporation (June 2016 to June 2019 Medical devices) Independent Director of AMPAK Technology Inc. (September 2020 to present Telecommunications industry) Independent Director of Powertip Tech Corp. (July 2021 to present Optronics) Director of Neousys Technology INC. (June 2022 to March 2024 Computer and peripheral equipment industry) When the Director was nominated, a statement was issued stating that no condition defined in Article 30 of the Company Act has occurred. 	<ol style="list-style-type: none"> Independent Director Feng, his spouse, or relative within the second degree of kinship, is not a Director, Supervisor, or employee of the Company or any of its affiliates. The number of shares held and shareholding ratio held by Independent Director Feng, his spouse, or relative within the second degree of kinship, or held by a nominee, is zero. Independent Director Feng does not serve as a Director, Supervisor, or employee at a company with specific relations with the Company (refer to regulations in Items 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). Independent Director Feng has not provided auditing services to the Company or any affiliate of the Company, or provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years. 	2
Independent Director Chi-Yung Wu	<ol style="list-style-type: none"> Independent Director Wu has more than five years of work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company: Chairman of Holtek Semiconductor Inc. (~October 1998 Semiconductor) Chairman of Holtek Semiconductor Inc. (October 1998 to present Semiconductor) Chairman of Holtek Semiconductor(Xiamen) Inc. (February 2008 to present Electronics) Chairman of Holtek Semiconductor(China) Inc. (July 2012 to present Semiconductor) 	<ol style="list-style-type: none"> Independent Director Wu, his spouse, or relative within the second degree of kinship, is not a Director, Supervisor, or employee of the Company or any of its affiliates. The number of shares held and shareholding ratio held by Independent Director Wu, his spouse, or relative within the second degree of kinship, or held by a nominee, is zero. 	-

<div>Qualification</div> <div>Name</div>	Professional qualifications and experiences (Note 1)	Independence criteria (Note 2)	Number of other public companies where the individual concurrently serves as an Independent Director
	<p>Chairman of BestComm RF Electronics Inc. (January 2014 to present Electronics)</p> <p>Chairman of Best Solution Technology Inc. (August 2014 to August 2022 Electronics)</p> <p>Chairman of Best Modules Corp. (May 2016 to present Electronics)</p> <p>Chairman of Holtek Investment Co., Ltd. (March 2003 to present Investment)</p> <p>Director of Holtek Semiconductor(Suzhou) Inc. (October 2018 to present Electronics)</p> <p>Director of Holtek Semiconductor Holding(BVI) Ltd. (October 1999 to present Investment)</p> <p>Director of Kingtek Semiconductor Holding(BVI) Ltd. (January 2002 to present Investment)</p> <p>Director of Bestcomm RF Electronics Inc. (March 2014 to present Investment)</p> <p>2. When the Director was nominated, a statement was issued stating that no condition defined in Article 30 of the Company Act has occurred.</p>	<p>3. Independent Director Wu does not serve as a Director, Supervisor, or employee at a company with specific relations with the Company (refer to regulations in Items 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).</p> <p>4. Independent Director Wu has not provided auditing services to the Company or any affiliate of the Company, or provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.</p>	
Independent Director M.J. Chuang	<p>1. Independent Director Chuang has more than five years of work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company:</p> <p>Managing Director of Hikari Glass(H.K.) Limited (December 2003 to December 2004 Optronics)</p> <p>President of Taiwan Business Division, HOYA Corporation (December 2006 to November 2015 Optronic equipment manufacturing)</p> <p>President of Calin Technology Co., Ltd. (January 2016 to December 2019 Optronics)</p> <p>Executive Assistant of the Chairman, Overseas President and Representative of Taiwan Office of Union Optech (Zhongshan) Technology Co., Ltd. (October 2020 to present Optronics)</p> <p>2. When the Director was nominated, a statement was issued stating that no condition defined in Article 30 of the Company Act has occurred.</p>	<p>1. Independent Director Chuang, his spouse, or relative within the second degree of kinship, is not a Director, Supervisor, or employee of the Company or any of its affiliates.</p> <p>2. The number of shares held and shareholding ratio held by Independent Director Chuang, his spouse, or relative within the second degree of kinship, or held by a nominee, is zero.</p> <p>3. Independent Director Chuang does not serve as a Director, Supervisor, or employee at a company with specific relations with the Company (refer to regulations in Items 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and</p>	-

<div>Qualification</div> <div>Name</div>	Professional qualifications and experiences (Note 1)	Independence criteria (Note 2)	Number of other public companies where the individual concurrently serves as an Independent Director
		Compliance Matters for Public Companies). 4. Independent Director Chuang has not provided auditing services to the Company or any affiliate of the Company, or provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.	

Note 1: Professional qualifications and experiences: Separately specify the professional qualifications and experiences of Directors and Supervisors, in case the person is a member of the Audit Committee and possesses accounting or financial expertise, the person's accounting or financial background as well as work experiences shall be described, and whether the conditions listed in Article 30 of the Company Act have occurred.

Note 2: For Independent Directors, the compliance to independence criteria shall be specified, this includes but is not limited to: whether the Independent Director, spouse, or relative within the second degree of kinship, has served as a Director, Supervisor, or employee of the Company; the number of shares held and shareholding ratio held by the Independent Director, spouse, or relative within the second degree of kinship, or held by a nominee; whether the Independent Director has served as a Director, Supervisor, or employee at a company with specific relations with the Company (refer to regulations in Items 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and compensations received by the Independent Director for providing auditing services or commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.

II. Diversity policy and status of independence of the Board of Directors:

(I) Diversification in the Composition of the Board: Describe the diversity policy of the Board of Directors, goals, and status of implementation. The diversity policy includes but is not limited to the selection standard of the Directors, professional qualifications and experiences required for the Board of Directors, and composition or ratio of factors including gender, age, nationality, and culture and more, and please describe the Company's specific goals and their status of implementation regarding the aforementioned policy.

1. Diversification of the Board of Directors:

(1) When nominating and selecting the Directors, besides not exceeding the one-third limit on the number of Directors who concurrently serve as the Company's managers, to achieve the ideal goal of corporate governance, the overall composition of the Board shall be equipped with the following skills: Operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership, and decision-making skills.

- (2) The selection standard of the Directors is based on the principle of meritocracy while also factoring in diverse background and factors such as age, gender, nationality, culture and more. Due to the Company's operating and developmental needs, the Directors shall be equipped with professional corporate management knowledge, skills, and industry experiences as well as an international market perspective and more.

2. Diversification objective in the composition of the Board:

- (1) There shall be no more than one-third of all Directors who concurrently serve as the Company's managers, and the skill sets required for the overall composition of the Board shall also be met.
- (2) The members of the Board of Directors have diverse and complementary backgrounds, and the overall industry experience of the Board of Directors is greater than 1.
- (3) Each of the seven listed professional competencies must be possessed by at least 2/3 of the Directors.

3. Implementation status of the diversity policy of the Board of Directors:

(1) Implementation of diversification in the Board:

	Gender	Concurrent employee	Age			Year of service	Operational judgment	Accounting and financial analysis ability	Business management	Crisis management	Industry knowledge	International market perspective	Leadership and decision-making
			51~60	61~70	71~80								
Boris Hsieh	Male			√		12	√	√	√	√	√	√	√
D.K. Tsai	Male				√	12	√	√	√	√	√	√	√
Louis Ning	Male	√		√		28	√	√	√	√	√	√	√
J.S. Leu	Male			√		12	√		√	√	√	√	√
Y.C. Chen	Male			√		3	√		√	√	√	√	
Jr-Neng Chang	Male		√			17	√	√	√	√	√	√	
Chu-Chien Feng	Male				√	9	√	√	√	√	√	√	√
Chi-Yung Wu	Male				√	6	√	√	√	√	√	√	√
M.J. Chuang	Male			√		6	√	√	√	√		√	√

- (2) Greatek's Board of Directors is comprised of 9 male Taiwanese Directors, including 3 seats of Independent Directors, and no more than one third of all the Directors concurrently serve as Greatek's managers. Directors in the current Board of Directors come from diversified backgrounds and are equipped with professional management skills and semiconductor upstream, midstream and downstream or relevant industry experiences. The Directors include managers from relevant industries, including semiconductor, computers, electronics, medical, and optronics. Besides the various skills and professional skills required of the Directors, the operation of various functional committees also ensure that the Directors' experiences may contribute toward the supervision and decision-making regarding corporate governance, environmental sustainability, corporate social responsibility, legal compliance, and human rights protection.

(3) The 10th board of directors achieved the goal of the board diversity policy.

(II) Independence of the Board of Directors:

Please provide the number and proportion of independent directors and explain the independence of the Board of Directors. Additionally, clarify whether there are any circumstances as defined in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act. This should include disclosing situations where directors, supervisors, or directors and supervisors have spousal or immediate family relationships within the second degree of kinship.

1. Greatek has 3 Independent Directors, consisting of one-third of all Directors. One of the Independent Directors has served for 7 to 9 years, while 2 others have served for 4 to 6 years.
2. All independent directors comply with the independence requirements of Articles 2, 3 and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".
3. The Directors do not have a marital relationship with, or a relative within the second degree of kinship with, any other Director of the Company.

II. Information about President, Vice President, Assistant Vice President, and Head of Department and Branch

As of March 31, 2024

Title (Note 1)	Nationality	Name	Gender	Date assuming office	Shareholding		Shares held by spouse and minor children		Shareholding by Nominees		Experience (Education) (Note 2)	Other position concurrently held at Greatek or other companies	Managers who are spouses or within the second degree of kinship			Remarks (Note 3)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Position	Name	Relation	
Chief Executive Officer	Taiwan (R.O.C.)	Boris Hsieh (Note 3)	Male	2013.01.01	0	0%	0	0%	500,000	0.09%	Executive MBA, National Chiao Tung University Vice President of Hon Hai Precision Industry Co., Ltd. President of Kingston Technology Far East Co., Ltd. Senior Vice President of Powertech Technology Inc. President of Chu Cheng Technology Ltd.	Chief Executive Officer of Powertech Technology Inc. Legal Representative Director of Powertech Technology Inc. Director of Tera Probe, Inc. Chairman of Get- Team Tech Corporation	No	No	No	No
President	Taiwan (R.O.C.)	Louis Ning	Male	2002.08.01	2,124,224	0.37%	0	0%	0	0%	Department of Physics, Chung Yuan Christian University Head of Manufacturing Department at Hua-Hsu Electronics Co., Ltd.	No	No	No	No	No
Executive Vice President & COO	Taiwan (R.O.C.)	Y.C. Chi	Male	2023.09.01	45,000	0%	0	0%	0	0%	EMBA, National Central University Department Manager of PowerChip Technology Corp. Sr. VP of Powertech Technology Inc.	No	No	No	No	No
Manufacturing Division Vice President	Taiwan (R.O.C.)	Avis Lee	Male	2005.06.01	257,314	0.05%	56,562	0.01%	0	0%	Incomplete Master degree from Chung Hua University Manager of Xi-Feng Silicon Co., Ltd.	No	No	No	No	No
Testing Division Vice President	Taiwan (R.O.C.)	Jones Chen	Male	2018.11.01	55,000	0.01%	43,102	0.01%	1,001,038	0.18%	Department of Electronics, Feng Chia University Head of Testing Division, Greatek Electronics Inc.	No	No	No	No	No
Administration Division Vice President	Taiwan (R.O.C.)	Sheng Chen	Female	2020.11.01	100,000	0.02%	0	0%	0	0%	Department of Banking and Insurance, Feng Chia University	No	No	No	No	No

Title (Note 1)	Nationality	Name	Gender	Date assuming office	Shareholding		Shares held by spouse and minor children		Shareholding by Nominees		Experience (Education) (Note 2)	Other position concurrently held at Greatek or other companies	Managers who are spouses or within the second degree of kinship			Remarks (Note 3)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Position	Name	Relation	
											Head of Administration Division, Greatek Electronics Inc.					
WLP Division Vice President	Taiwan (R.O.C.)	Leon Wu	Male	2023.11.01	0	0%	0	0%	0	0%	Department of Electrical Engineering, Chienkuo Technology University Process Department manager, Amkor Advanced Technology Taiwan, Inc Head of WLP Division, Greatek Electronics Inc.	No	No	No	No	No
R&D Division Vice President	Taiwan (R.O.C.)	Yu-Yuan Chen	Male	2023.11.01	6,000	0%	0	0%	0	0%	National Taipei University of Technology, Department of Mechanical Engineering, Factory Chief. Advanced Semiconductor Engineering, Inc Head of R&D Division, Greatek Electronics Inc.	No	No	No	No	No
Domestic Division Vice President	Taiwan (R.O.C.)	Jackey Chueh	Male	2023.11.01	0	0%	0	0%	0	0%	Department of Industrial Engineering, Minghsin University of Science and Technology Head of Domestic Division, Greatek Electronics Inc.	No	No	No	No	No
International Division Vice President	Taiwan (R.O.C.)	Aaron Chiu	Male	2023.11.01	10,000	0%	0	0%	0	0%	Department of Computer Science and Information Engineering, Queensland University of Technology (QUT) Head of International Division, Greatek Electronics Inc.	No	No	No	No	No

Note 1: It shall include information of President, Vice President, Assistant Vice President, Supervisors of various Departments and Branches, and any position equivalent to President, Vice President, Assistant Vice President, regardless of job title, shall also be disclosed. Greatek does not have any Assistant Vice President.

Note 2: For experiences related to holding the current position, if one has worked in the auditing accounting firm or its affiliated companies, he/she shall state the job title and duties.

Note 3: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest-ranking manager) of the Company are the same person, spouses, or relatives within the

first degree of kinship, a description shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (for example, increase the number of Independent Directors, and having more than one-half of all Directors who do not concurrently serve as employees or managers).

To strengthen the functions of the Board of Directors and enhance corporate governance, the Board passed a resolution on February 24, 2023 to relieve Chairman Boris Hsieh of his position as CEO.

Chapter 3 Remuneration Paid to Directors, President, and Vice President in the Most Recent Year

I. Remuneration to Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Directors' remuneration								The sum of A, B, C and D in proportion to Net Income after tax (Note 9)		Remuneration from concurrent position as employees								Ratio of total remuneration (A, B, C, D, E, F, and G) to Net Income after tax		Remuneration Received from Invested Companies other than the Company's Subsidiary, or from Parent Company (Note 7)
		Base Compensation (A) (Note 1)		Pensions (B)		Compensation to Directors (C) (Note 2)		Fees related to professional practice (D) (Note 3)				Salaries, bonus and special allowance (E) (Note 4)		Pensions (F) (Note 5)		Employee Compensation (G) (Note 6)						
		Greatek	All companies included in the financial statements	Greatek	All companies included in the financial statements	Greatek	All companies included in the financial statements	Greatek	All companies included in the financial statements	Greatek	All companies included in the financial statements	Greatek	All companies included in the financial statements	Greatek	All companies included in the financial statements	Greatek	All companies included in the financial statements	Greatek		All companies included in the financial statements		
Cash	Share																	Cash	Share			
Corporate Director	Powertech Technology Inc.	0	0	0	0	51,329	51,329	0	0	51,329 2.57%	51,329 2.57%	0	0	0	0	0	0	0	0	51,329 2.57%	51,329 2.57%	None
Chairman	Powertech Technology Inc. Representative D.K. Tsai	14,659	14,659	0	0	7,333	7,333	864	864	22,856 1.14%	22,856 1.14%	3,455	3,455	53	53	0	0	0	0	26,364 1.32%	26,364 1.32%	152,214
Director	Powertech Technology Inc. Representative Boris Hsieh																					
Director	Powertech Technology Inc. Representative Louis Ning																					
Director	Powertech Technology Inc. Representative J.S. Leu																					
Director	Powertech Technology Inc. Representative Yu-Chin Chen																					
Director	Hung-Wei Venture Capital Co., Ltd. Representative Jr-Neng Chang																					
Independent Director	Chu-Chien Feng	4,320	4,320	0	0	0	0	432	432	4,752 0.24%	4,752 0.24%	0	0	0	0	0	0	0	0	4,752 0.24%	4,752 0.24%	0
Independent Director	Chi-Yung Wu																					
Independent Director	M.J. Chuang																					
1. Please state the policy, system, standard and structure of Independent Directors' remuneration payment, and describe the relevance between the amount of remuneration and the factors including responsibilities, risks, time commitment by the individual, etc.: (1). The policy and system of Independent Directors' remuneration payment is in line with Article 20 of the Articles of Incorporation, "compensations are paid on a monthly basis, and Independent Directors do not participate in the remuneration payments to Directors as stated in Article 24". (2). Standard and structure for remuneration payments to Independent Director is formulated by the Remuneration Committee in consideration of industry characteristics and the nature of Greatek's business. It also takes factors including responsibilities, risks, and time commitment into consideration. The remunerations are individually reviewed and submitted to the Board of Directors for approval.																						
2. In addition to the information disclosed above, has any of the Company's Directors received compensations for providing services (e.g. serving as a non-employee consultant) to any of the companies listed in this financial report in the most recent year: None.																						

Note 1: refers to the remunerations paid to Directors in the most recent year (including Director's salary, duty allowance, severance pay, bonus and reward, etc.).

Note 2: the amount disclosed is the remuneration payment appropriated for Directors as approved by the Board of Directors on February 23, 2024.

Note 3: Refers to the Directors' professional practicing fees in the most recent year, which are all transportation allowance.

Note 4: Refers to the salary, duty allowance, severance pay, bonus, reward and various allowances, by the Directors who acted as concurrent employees.

Note 5: Reserves and pension are recognized and appropriated in line with the Labor Standards Act and Labor Insurance Act.

Note 6: Employee bonus for Directors in 2023 shall be distributed this year according to the remuneration amounts approved by the Board of Directors on February 23, 2024, which is based on actual distribution percentage in the previous year.

Note 7: a. Please specify whether the Company's Directors have received remuneration from invested companies other than the Company's subsidiary, or from parent company.

b. The remuneration shall refer to the remuneration, compensation (including employee Salaries, bonus and Compensation to Directors) and professional practicing fees received by the Company's Directors who acted as the Directors, Supervisors or Managerial Officers of invested companies other than its subsidiaries.

Range of remuneration

Range of remuneration paid to Directors	Names of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	Greatek	All companies included in the financial statement H (Note)	Greatek	All companies included in the financial statement I (Note)
Less than NT\$1,000,000	Powertech Technology Inc. Representative D.K. Tsai Powertech Technology Inc. Representative Louis Ning Powertech Technology Inc. Representative J.S. Leu Powertech Technology Inc. Representative Yu-Chin Chen	Powertech Technology Inc. Representative D.K. Tsai Powertech Technology Inc. Representative Louis Ning Powertech Technology Inc. Representative J.S. Leu Powertech Technology Inc. Representative Yu-Chin Chen	Powertech Technology Inc. Representative D.K. Tsai Powertech Technology Inc. Representative J.S. Leu Powertech Technology Inc. Representative Yu-Chin Chen	-
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Chu-Chien Feng, Chi-Yung Wu, M.J. Chuang	Chu-Chien Feng, Chi-Yung Wu, M.J. Chuang	Chu-Chien Feng, Chi-Yung Wu, M.J. Chuang	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-	Powertech Technology Inc. Representative Louis Ning	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Hung-Wei Venture Capital Co., Ltd. Powertech Technology Inc.	Hung-Wei Venture Capital Co., Ltd.	Hung-Wei Venture Capital Co., Ltd.	-
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	Powertech Technology Inc. Representative Boris Hsieh	Powertech Technology Inc. Representative Boris Hsieh	Powertech Technology Inc. Representative Boris Hsieh	Powertech Technology Inc. Representative Louis Ning Powertech Technology Inc. Representative Yu-Chin Chen
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-	-	Powertech Technology Inc. Representative Boris Hsieh Powertech Technology Inc. Representative J.S. Leu
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-	-	Powertech Technology Inc. Representative D.K. Tsai
NT\$100,000,000 or more	Powertech Technology Inc.	Powertech Technology Inc.	Powertech Technology Inc.	-
Total	10	10	10	5

Note: Greatek's parent company is Powertech Technology Inc.

II. Remunerations to President and Vice Presidents

Unit: NT\$ thousands

Title	Name	Salary (A) (Note 1)		Severance pay and pension (B) (Note 2)		Bonus and special allowance (C) (Note 3)		Employee compensation (D) (Note 4)				Ratio of Total Compensation (A+B+C+D) to Net Income after tax (%)		Remuneration Received from Invested Companies other than the Company's Subsidiary, or from Parent Company (Note 8)
		Greatek	All companies included in the financial statement	Greatek	All companies included in the financial statement	Greatek	All companies included in the financial statement	Greatek		All companies included in the financial statement		Greatek	All companies included in the financial statement	
								Cash	Share	Cash	Share			
Chief Executive Officer	Boris Hsieh (Note 5)	9,897	9,897	370	370	4,413	4,413	9,800	-	9,800	-	24,480 1.23%	24,480 1.23%	22,388
President	Louis Ning													
Executive Vice President & COO	Y.C. Chi (Note 6)													
Manufacturing Division Vice President	Avis Lee													
Testing Division Vice President	Jones Chen													
Administration Division Vice President	Sheng Chen													
WLP Division Vice President	Leon Wu (Note 7)													
R&D Division Vice President	Yu-Yuan Chen (Note 7)													
Domestic Division Vice President	Jackey Chueh (Note 7)													
International Division Vice President	Aaron Chiu (Note 7)													

Note 1: Salary, job allowance, and severance pay paid to the President and Vice Presidents in the most recent fiscal year.

Note 2: Reserves and pension are recognized and appropriated in line with the Labor Standards Act and Labor Insurance Act.

Note 3: The bonus, reward and various allowances received by the President and Vice Presidents in the most recent year.

Note 4: Employee bonus shall be distributed this year according to the remuneration amounts approved by the Board of Directors on February 23, 2024, which is based on actual distribution percentage in the previous year.

Note 5: The Board passed a resolution on February 24, 2023 to relieve Chairman Boris Hsieh of his position as CEO.

Note 6: Date assuming office on September 1, 2023.

Note 7: Date assuming office on November 1, 2023.

Note 8.a. Please specify whether the Company's President and Vice Presidents have received remuneration from invested companies other than the Company's subsidiary, or from parent company.

b. The remuneration shall refer to the remuneration, compensation (including employee bonus and professional practicing fees) received by the Company's President and Vice Presidents who acted as the Directors, Supervisors or Managerial Officers of invested companies other than its subsidiaries.

Range of remuneration

Range of remuneration paid to the President and Vice Presidents	Name of President and Vice Presidents	
	Greatek	from Parent Company E
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Leon Wu, Yu-Yuan Chen, Jackey Chueh, Aaron Chiu,	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Avis Lee, Jones Chen, Sheng Chen	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Louis Ning	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Y.C. Chi	Y.C. Chi
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	Boris Hsieh
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-
NT\$100,000,000 or more	-	-
Total	9	2

Managerial officers appropriated with employee compensations and the status of such allocation

As of March 31, 2024 Unit: NT\$ thousands; %

	Title	Name	Share	Cash (Note 2)	Total	Proportion to Net Income After Tax (Note 3)
Manager	President	Louis Ning	0	10,320	10,320	0.52%
	Executive Vice President & COO	Y.C. Chi				
	Vice President of Manufacturing Division	Avis Lee				
	Vice President of Testing Division	Jones Chen				
	Vice President of Administration Division and CFO and Chief Corporate Governance Officer	Sheng Chen				
	WLP Division Vice President	Leon Wu				
	R&D Division Vice President	Yu-Yuan Chen				
	Domestic Division Vice President	Jackey Chueh				
	International Division Vice President	Aaron Chiu				
	Accounting Manager	Mei-Ling Lin				

Note 1: The scope of managerial officers shall be defined in the following manner, as per the Board's Directive Letter No. 0920001301 dated March 27, 2003:

- (1) President and equivalents;
- (2) Vice president and equivalents;
- (3) Assistant vice president and equivalents;
- (4) Chief of Finance Dept.;
- (5) Chief of Accounting Dept.;
- (6) Any other persons in charge of the Company's affairs and entitled to sign instruments on behalf of the Company.

Note 2: The employee bonus (including shares and cash) to be distributed to the Managerial Officers as approved by the Board of Directors is impossible to forecast; therefore, the amount to be distributed this year shall be based on the actual distribution amount of last year.

III. Compare and Analyze the Total Remuneration As a Percentage of Net Income Stated in the Parent Company Only Financial Reports or Individual Financial Reports, Paid by the Company and by All Consolidated Entities (Including the Company) for the Most Recent 2 Fiscal Years to Each of the Company's Directors, Supervisors, President, and Vice Presidents, and Describe the Policies, Standards, and Packages For Payment of Remuneration, As Well As The Procedures for Determining Remuneration, And Its Linkage to Business Performance and Future Risk Exposure:

- (I) Analysis of total compensation paid to Directors, President, and Vice Presidents as a percent of net income after tax of Individual Financial Statements for the most recent 2 years

Unit: NT\$ thousands

	2022		2023	
	Greatek	All companies included in the financial statement	Greatek	All companies included in the financial statement
Net income after tax	3,158,170	3,158,170	1,997,124	1,997,124
Directors' remuneration	86,327	86,327	78,937	78,937
Directors' remuneration as a percentage of net income after tax	2.73%	2.73%	3.95%	3.95%
Remuneration of President and Vice Presidents	36,193	36,193	24,480	24,480
Remuneration of President and Vice Presidents as a percentage of net income after tax	1.15%	1.15%	1.23%	1.23%

(II) The policies, standards, combinations, procedure of decision-making of remunerations, and their relation to business performance and future risk

1. The policies, standards, and combinations of the remunerations:

- (1) Remunerations paid to Directors include base compensation, bonus and transportation allowance. In line with Article 20 of the Articles of Incorporation, when performing duties for the Company, the Directors may be paid with remunerations whether the Company makes a profit. The determining of the remunerations is delegated to the Board of Directors by considering the Directors' levels of participation and contribution in Company operations and by referencing both domestic and international industrial standards.. All Directors are entitled to the same appropriation of transportation allowance. The Independent Directors' are paid with fixed remunerations on a monthly basis, and Independent Directors do not participate in the remuneration payments to Directors as stated in Article 24. In case the Company makes a profit in a fiscal year, pursuant to provisions in Article 24 of the Articles of Incorporation, the Company shall set aside no more than 3 percent of its profit as Directors' remunerations from its pre-tax net profit before deducting the employees' compensations and Directors' remunerations.

Industry standard: This term refers to the average director remuneration of listed and OTC companies in the same industry, such as Powertech Technology Inc., King Yuan Electronics Co., Ltd., ChipMOS Technologies Inc., Siliconware Precision Industries Co., Ltd., Chipbond Technology Corporation, etc., as well as other various factors.

- (2) The compensations for managers include salaries, bonuses, and employee compensations, and the Compensations Management Method, Employee Compensation Distribution Method, and Year-end Bonus and Incentives Distribution Method, have been formulated in reference to market and industry standards and Greatek's overall operating performance. In particular :
 - ①The Company establishes an incentive bonus distribution method for achieving revenue target for each year,
 - ②pursuant to provisions in Article 24 of the Articles of Incorporation, the Company shall set aside no less than nine to fifteen percent of its profit as employee compensation from its pre-tax net profit before deducting the employees' compensations and Directors' remunerations.
 - ③The year-end bonus is granted based on the Year-end Bonus and Incentives Distribution Guidelines, taking into account the Company's annual performance, financial condition, operational results, and the risks and responsibilities of the managers.
- (3) The combination of salary and compensation paid by the Company is determined in accordance with the regulations of the Remuneration Committee. This includes cash, stock options, dividends paid in stock, retirement benefits or severance payments, allowances, and other measures with substantial incentives. Its scope is consistent with the remunerations set forth for directors and

executives in Regulations Governing Information to be published in Annual Reports of Public Companies.

2. Procedures for Determining Compensations
 - (1) Performance evaluation items for directors: alignment of the goals and missions of the Company, awareness of the duties of a director, level of participation in the operation of the Company, management of internal relationship and communication, directors' professionalism and continuing education, and internal control. To incentivize our employees' efforts, Greatek shares operating performance with the employees. Operational results and employees' compensation and Directors' remunerations are based on Article 24 of the Articles of Incorporation.
 - (2) Performance evaluation items for managers: achievement rate of executing the annual operational plan, including operational performance, financial condition, business integrity, risk management, and ESG sustainable development, etc. ESG sustainable development performance encompasses corporate governance, environment, and society. For detailed long-term and short-term planning indicators, please refer to the Company's Sustainability Report.
 - (3) Relevant performance assessments, such as revenue achievement and ratio of contribution to profits. The Remuneration Committee reviews the reasonableness of various remuneration and salaries, which are then submitted to the Board of Directors for approval. Please refer to the Operations of the Remuneration Committee.
 3. Relation to business performance and future risk:
 - (1) The directors' remunerations is highly correlated to Greatek's management performance and risk control. The directors fulfill their responsibilities by reviewing, supervising, and guiding governance practices, risk management, ESG sustainability indicators, and strategy formulation at board meetings. They have taken full consideration into significant risks and opportunities for sustainable development, including physical and transitional risks related to the climate.
 - (2) Managers at the level of Deputy General Manager or above have the responsibility of implementing the board's sustainability policies, ESG performance, and risk management. Their remuneration is connected to the overall operational performance and risk of the Company.
- (III) Subsidiaries included in the Consolidated Financial Statements have not paid any remuneration to the Directors, President, and Vice President in the past two years.

Chapter 4 Status of Corporate Governance

I. Functions of the Board of Directors:

The Board of Directors has convened 4 meetings (A) in 2023 with the following attendance records:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Chairman	Powertech Technology Inc. Corporate Representative Boris Hsieh	4	0	100	
Director	Powertech Technology Inc. Corporate Representative D.K. Tsai	4	0	100	
Director	Powertech Technology Inc. Corporate Representative Louis Ning	4	0	100	
Director	Powertech Technology Inc. Corporate Representative J.S. Leu	3	1	75	
Director	Powertech Technology Inc. Corporate Representative Y.C. Chen	4	0	100	
Director	Hung-Wei Venture Capital Co., Ltd. Corporate Representative Jr-Neng Chang	2	2	50	
Independent Director	Chu-Chien Feng	4	0	100	

Independent Director	Chi-Yung Wu	4	0	100	
Independent Director	M.J. Chuang	4	0	100	

Note: Actual attendance rate (%) shall be calculated based on the number of meetings convened and the actual number of meetings a Director has attended during the term of office.

Other Matters:

- I. With regard to the implementation of the Board of Directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all Independent Directors' opinions and the Company's handling of such opinions shall be specified:
- (I) Matters referred to in Article 14-3 of the Securities and Exchange Act.
In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, Greatek has set up an Audit Committee. The Audit Committee members did not express any objection or reservation to the proposal.
- (II) Any recorded or written Board resolutions to which Independent Directors have objections or reservations to be noted in addition to the above:
None.
- II. Regarding recusals of Directors from voting due to conflicts of interests, the names of the Directors, contents of motions, reasons for recusal, and results of voting shall be specified:

Board Meetings	Proposal	Director requiring recusal	Reason for avoiding conflicts of interest	Voting
2023/2/24 8 th meeting from the 10th Board	To review and approve the Waiver of the Non-Competition Clause imposed on Directors	Chairman Boris Hsieh	In this project, Chairman Boris Hsieh's concurrent position as the Chairman of Get-Team Tech Corp. creates a conflict of interest.	All directors present (including those attending by proxy), except those who recused themselves due to conflicts of interest and did not participate in the discussion and voting, have approved the resolution following the chairman's inquiry.
2023/7/28 10th meeting from the 10th Board	The 2023 remuneration adjustment proposal for the managerial officers and various compensation packages.	Representatives of Powertech Technology Inc. Louis Ning	In this project, Director Louis Ning's concurrent position as President create conflicts of interest.	All directors present (including those attending by proxy), except those who recused themselves due to conflicts of interest and did not participate in the discussion and voting, have approved the resolution following the chairman's inquiry.

- III. TWSE/TPEX listed companies shall disclose the information of self-evaluation (or peer evaluation) of the Board of Directors, such as evaluation cycle, period, scope, method and contents, and to describe the implementation status of such evaluation:

1. Performance evaluation mechanism and implementation status of the Board of Directors and functional committees:

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Content of evaluation
Once a year	2023/1/1~2023/12/31	Board of Directors	Internal evaluation of the Board	Evaluation of performance for the Board of Directors include five major aspects: participation in the operation of the Company, enhancing the quality of the Board of Directors' decision making, composition and structure of the Board, election and continuing education of the Directors, and internal control. Upon evaluation and distribution of survey questionnaires, the achievement has been 96%, and the evaluation result indicated that performance was beyond the standard level.
		Individual Director	Self-evaluation of the Board members	Performance evaluation for Board members includes six major aspects: alignment of the goals and missions of the Company; awareness of the duties of a Director; participation in the operation of the Company; management of internal relationship and communication; the Director's professionalism and continuing education; and internal control. Upon collection and compilation of the self-evaluation questionnaires from the nine Board members, the achievement has been 96%, and the evaluation result indicated that

				performance was beyond the standard level.
		Functional committees	Self-evaluation of the Audit Committee	Evaluation of performance for functional committees included five major aspects: participation in the operation of the Company, awareness of the duties of the Audit Committee, enhancing the quality of decisions made by the Audit Committee, composition of the Audit Committee and election of its members, and internal control. Upon collection and compilation of the self-evaluation questionnaires from the three Independent Directors, the achievement has been 100%, and the evaluation result indicated that performance was beyond the standard level.
		Functional committees	Self-evaluation of the Remuneration Committee	Evaluation of performance for functional committees included five major aspects: participation in the operation of the Company, awareness of the duties of the Remuneration Committee, enhancing the quality of decisions made by the Remuneration Committee, composition of the Remuneration Committee and election of its members, and internal control. Upon collection and compilation of the self-evaluation questionnaires from the three Independent Directors, the achievement has been 100%, and the evaluation result indicated that performance was beyond the standard level.

2. The performance evaluation results have been submitted to the Board of Directors meeting convened on February 23, 2024.

IV. Measures undertaken during the current year and most recent fiscal year to strengthen the functions of the Board of Directors (such as the establishment of an audit committee and improvement of information transparency, etc.) and assessment of their implementation:

1. In 2023, the attendance rate of the board meetings was 91.7%, with each independent director attending every board meeting.
2. One-third of the total number of directors on the Company's board are independent directors.
3. Greatek conducts performance evaluation over the Board of Directors and the functional committees on an annual basis, and the results of which are reported to the Board of Directors.
4. Risk management policy and procedures have been formulated as of October 29, 2021.
5. Greatek immediately updates both the Chinese and the English versions of the financial statements on the day that a proposal is approved by the Board.
6. The interim financial report for the fiscal year 2023 of the Company has been reviewed by the audit committee and approved by the Board of Directors.

II. Functions of the Audit Committee

1. The Audit Committee is formed by three Independent Directors, and the goal of the committee is to assist the Board of Directors fulfill its supervision over the following matters:
 - (1) The fair presentation of the Company's financial reports.
 - (2) Appointment or dismissal of the Company's CPAs and evaluation of their independence and performance.
 - (3) The effective implementation of the Company's internal control system.
 - (4) The Company's compliance to relevant regulations and rules.
 - (5) Management of existing or potential risks.
2. The Audit Committee was set up in accordance with the Audit Committee Charter and Article 14-5 of the Securities and Exchange Act in 2023, and will review the following matters:
 - (1) Formulate or amend internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
 - (2) Assessment of the effectiveness of the internal control system.
 - (3) Material asset or derivative transactions.
 - (4) Derivatives trading situation.
 - (5) Appointment, dismissal, and compensation of the Certified Public Accountants.
 - (6) Annual financial statements that bear the signature or seal of the Chairman, managerial officers, and the accounting manager.

- (7) Business Report, Earnings Distribution Plan, or Plan to Off-set Accumulated Losses.
- (8) The offering, issuance, or private placement of any equity-type securities.
- (9) Other material matters set forth by applicable laws, the competent authority, or by the Company.
- Review of financial statements
The Board of Directors will prepare the Business Report, financial statements and earnings distribution plan, in which the financial statements have been audited and certified by Deloitte Taiwan, and by whom an Audit Report has been issued accordingly.
The aforementioned Business Report, financial statements, and earnings distribution plan have been reviewed and approved to be correct by the Audit Committee.
 - Appointment and evaluation of the CPAs independence and suitability; the Audit Committee is held responsible for supervising the independence of the CPAs to ensure the reasonableness and reliability of the financial statements.
In general, except for tax-related services or specially authorized projects, the CPA and its accounting firm shall not provide other services to the Company.
To ensure the independence of the CPAs, the Audit Committee has formulated an Independence and Competence Evaluation Table in line with The Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10 "Integrity, Objectivity, and Independence" And received the Audit Quality Indicator Report (AQI Report) from Deloitte Taiwan.
Upon resolution from the Audit Committee and the Board of Directors on February 24, 2023, CPAs Cheng-Chih Lin and Su-Li Fang from Deloitte Taiwan have both met the criteria for independence and competence evaluation, and can properly serve as Greatek's CPAs.
 - Assessment of the effectiveness of the internal control system
The Audit Committee audits regular reports from departments, CPAs and the management to assess the effectiveness of Greatek's internal control system policy and procedures (including control measures over finance, operation, risk management, information security, and legal compliance). The Audit Committee believes that Greatek's risk management and internal control systems are valid, and that Greatek has adopted necessary control mechanisms to supervise and to correct violations and unethical conduct.
3. In 2023, the Audit Committee has convened 4 meetings (A), with the following attendance records from the Independent Directors:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Independent Director	Chu-Chien Feng	4	0	100	
Independent Director	Chi-Yung Wu	4	0	100	
Independent Director	M.J. Chuang	4	0	100	
<p>Note 1: Where an Independent Director resign before the end of the year, the Notes column shall be annotated with the date of resignation. Actual presence rate (%) shall be calculated using the number of Audit Committee meetings convened and actual presence during the term of service.</p> <p>Note 2: If any Independent Director was re-elected before the end of the year, incoming and outgoing Independent Directors shall be listed accordingly, and the Remark column shall indicate whether the Independent Director's status is "Outgoing", "Incoming" or "Re-elected", and the date of re-election. Actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings convened and the actual number of meetings an Independent Director has attended during the term of office.</p> <p>Other Matters:</p> <p>I. If the operation of Audit Committee has one of the following situations, the minutes shall clearly state the Audit Committee meeting date, period, content of the resolution, dissenting or reserved opinion, or material suggestion from the Independent Directors, resolution from the Audit Committee, and the Company's handling of said opinions.</p> <p>(I) Matters referred to in Article 14-5 of the Securities and Exchange Act.</p>					

Meeting date and period	Proposal	Matters referred to in Article 14-5 of the Securities and Exchange Act	Resolutions not approved by the Audit Committee, but were approved by two-thirds or more of all Directors.
2023/2/24 7th meeting in the 2nd term of Audit Committee	Amendment to Greatek's internal control system.	V	No
	2022 assessment on the effectiveness of internal control system and "Statement of Internal Control System".	V	No
	Amendment to the "Corporate Governance Best Practice Principles".	V	No
	Review the issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares ("DR Offering") and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement ("Private Placement Shares") and/or issuance of overseas or domestic bonds in private placement ("Private Placement Ordinary corporate bonds or convertible bonds") and/or issuance of overseas or domestic bonds ("Ordinary corporate bonds or convertible bonds").	V	No
	Appointment of 2023 CPA and evaluation on CPA's independence.	V	No
	Review of Greatek's 2022 Business Report.	V	No
	Review of Greatek's 2022 financial statements.	V	No
	Review of Greatek's 2022 earnings distribution plan.	V	No
	Dissenting or reserved opinion, or material suggestions from the Independent Directors: None. Resolution from the Audit Committee: Approved without amendment or dissent by all Directors in attendance. Greatek's handling of the opinions from Independent Directors: Approved without amendment or dissent by all Directors in attendance (including attendance by proxy) on February 24, 2023.		
2023/4/28 8th meeting in the 2nd term of Audit Committee	Application for amount to be used toward engagement in transaction of forward exchange derivatives.	V	No
	Review of Greatek's 2023 First Quarter (Q1) financial statements.	V	No
	Dissenting or reserved opinion, or material suggestions from the Independent Directors: None. Resolution from the Audit Committee: Approved without amendment or dissent by all Directors in attendance (including attendance by proxy). Greatek's handling of the opinions from Independent Directors: Approved without amendment or dissent by all Directors in attendance on April 28, 2023.		
2023/7/28 9th meeting in the 2nd term of Audit Committee	Review of Greatek's 2023 Second Quarter (Q2) financial statements.	V	No
	Dissenting or reserved opinion, or material suggestions from the Independent Directors: None. Resolution from the Audit Committee: Approved without amendment or dissent by all Directors in attendance. Greatek's handling of the opinions from Independent Directors: Approved without amendment or dissent by all Directors in attendance (including attendance by proxy) on July 28, 2023.		
2023/10/27 10th meeting in the 2nd term of Audit Committee	Establish Greatek's 2024 Audit Plan.	V	No
	Review of the proposed plans to evaluate investment in Southeast Asia.	V	No
	Review of Greatek's 2023 Third Quarter (Q3) financial statements.	V	No
	Dissenting or reserved opinion, or material suggestions from the Independent Directors:		

	<p>None.</p> <p>Resolution from the Audit Committee: Approved without amendment or dissent by all Directors in attendance.</p> <p>Greatek's handling of the opinions from Independent Directors: Approved without amendment or dissent by all Directors in attendance on October 27, 2023.</p>							
	<p>(II) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all Directors:</p> <p>None.</p>							
II.	<p>Regarding recusals of Independent Directors from voting due to conflicts of interests, the names of the Independent Directors, contents of motions, reasons for recusal, and results of voting shall be specified:</p> <p>None.</p>							
III.	<p>Communications between the Independent Directors, the Company's chief internal auditor and CPAs (shall include the material items, methods and results of audits of corporate finance or operations, etc.)</p> <ol style="list-style-type: none"> 1. The chief internal auditor regularly submits the audit results to the Independent Directors via electronic means in the following month after completing audit items. 2. The Audit Committee and the Board of Directors convene quarterly meetings, and the chief internal auditor attends all of these meetings and reports and communicates audit tasks to the Audit Committee and the Board of Directors. 3. Pursuant to provisions stipulated in No. 39 "communications with the component auditor" of the International Standards on Auditing (ISA), during the planning and completion phases, the CPA reports and communicates with the Independent Directors during Audit Committee meetings in each quarter regarding governance matters related to the audit or review procedures for financial statements. 4. The Independent Directors, chief internal auditors, and the CPA have maintained good communications during the Audit Committee meetings in 2023; key communications have been summarized as the following: 							
	<table border="1"> <thead> <tr> <th>Audit Committee</th><th>Key communication matters with the chief internal auditor</th><th>Key communication matters with CPA</th></tr> </thead> <tbody> <tr> <td>2023/2/24 7th meeting in the 2nd term of Audit Committee</td><td> <ul style="list-style-type: none"> ● Review of the internal audit report. ● Discussion over the amendments to Greatek's internal control system. ● Discussion over the 2022 assessment on the effectiveness of internal control system" and "Statement of Internal Control System". ● Amendment to the "Corporate Governance Best Practice Principles". ● Appointment of 2023 CPA and evaluation on CPA's independence. ● Review of Greatek's 2022 Business Report. ● Review of Greatek's 2022 financial statements. ● Review of Greatek's 2022 earnings distribution plan. ● Review the issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares ("DR Offering") and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement ("Private Placement Shares") and/or issuance of overseas or domestic bonds in private placement ("Private Placement Ordinary corporate </td><td> <ul style="list-style-type: none"> ● Discussion over audit contents and results of the 2022 financial statements. ● Introduction to Tax laws: "Introduction to the guidelines and regulations to be applied in the near future." </td></tr> </tbody> </table>	Audit Committee	Key communication matters with the chief internal auditor	Key communication matters with CPA	2023/2/24 7th meeting in the 2nd term of Audit Committee	<ul style="list-style-type: none"> ● Review of the internal audit report. ● Discussion over the amendments to Greatek's internal control system. ● Discussion over the 2022 assessment on the effectiveness of internal control system" and "Statement of Internal Control System". ● Amendment to the "Corporate Governance Best Practice Principles". ● Appointment of 2023 CPA and evaluation on CPA's independence. ● Review of Greatek's 2022 Business Report. ● Review of Greatek's 2022 financial statements. ● Review of Greatek's 2022 earnings distribution plan. ● Review the issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares ("DR Offering") and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement ("Private Placement Shares") and/or issuance of overseas or domestic bonds in private placement ("Private Placement Ordinary corporate 	<ul style="list-style-type: none"> ● Discussion over audit contents and results of the 2022 financial statements. ● Introduction to Tax laws: "Introduction to the guidelines and regulations to be applied in the near future." 	
Audit Committee	Key communication matters with the chief internal auditor	Key communication matters with CPA						
2023/2/24 7th meeting in the 2nd term of Audit Committee	<ul style="list-style-type: none"> ● Review of the internal audit report. ● Discussion over the amendments to Greatek's internal control system. ● Discussion over the 2022 assessment on the effectiveness of internal control system" and "Statement of Internal Control System". ● Amendment to the "Corporate Governance Best Practice Principles". ● Appointment of 2023 CPA and evaluation on CPA's independence. ● Review of Greatek's 2022 Business Report. ● Review of Greatek's 2022 financial statements. ● Review of Greatek's 2022 earnings distribution plan. ● Review the issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares ("DR Offering") and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement ("Private Placement Shares") and/or issuance of overseas or domestic bonds in private placement ("Private Placement Ordinary corporate 	<ul style="list-style-type: none"> ● Discussion over audit contents and results of the 2022 financial statements. ● Introduction to Tax laws: "Introduction to the guidelines and regulations to be applied in the near future." 						

	bonds or convertible bonds”) and/or issuance of overseas or domestic bonds (“Ordinary corporate bonds or convertible bonds”).	
2023/4/28 8th meeting in the 2nd term of Audit Committee	<ul style="list-style-type: none"> ● Review of the internal audit report. ● Application for amount to be used toward engagement in transaction of forward exchange derivatives. ● Review of Greatek's 2023 First Quarter (Q1) financial statements. 	<ul style="list-style-type: none"> ● Discussion over audit contents and results of the 2022 Q1 financial statements.
2023/7/28 9th meeting in the 2nd term of Audit Committee	<ul style="list-style-type: none"> ● Review of the internal audit report. ● Review of Greatek's 2023 First Quarter (Q2) financial statements. 	<ul style="list-style-type: none"> ● Discussion over audit contents and results of the 2023 Q2 financial statements. ● Introduction to Tax laws: "Introduction to the guidelines and regulations to be applied in the near future."
2023/10/27 10th meeting in the 2nd term of Audit Committee	<ul style="list-style-type: none"> ● Review of the internal audit report. ● Review of Greatek's 2023 First Quarter (Q3) financial statements. ● Discussion over 2024 Internal Audit Plan. ● Review of the proposed plans to evaluate investment in Southeast Asia 	<ul style="list-style-type: none"> ● Discussion over audit contents and results of the 2023 Q3 financial statements.
Results: the aforementioned matters have all been reviewed or approved by the Audit Committee, and the Independent Directors did not express any dissent or reserved opinion.		

III. Status of Corporate Governance, and any variance from the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof:

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Explanation	
(I) Does the Company establish and disclose its Corporate Governance Best-Practice Principles based on the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	V		Greatek has formulated the Corporate Governance Best-Practice Principles based on the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and disclosed relevant information on the "Corporate Governance" section of its website.	None
(II) Shareholding Structure & Shareholders' Rights				
1. Does the Company establish an internal procedure for handling shareholders' suggestions, concerns, disputes, and litigations? Has the procedure been implemented accordingly?	V		Greatek complies with the Corporate Governance Best-Practice Principles and should shareholders have any question or comment, they can communicate with Greatek via the "Investors" section on company website. Greatek has designated the spokesperson to handle shareholder suggestions, concerns and other relevant matters.	None
2. Has the Company maintained the list of major shareholders and ultimate controllers of the major shareholders?	V		Greatek discloses shareholding status of major Shareholders, Managerial Officers and related parties on a monthly basis pursuant to provisions required by the Securities and Exchange Act. Additionally, Greatek also discloses a list of shareholders holding 5% or more of Greatek's shares on a quarterly basis in our financial statements.	None
3. Has the Company established and implemented risks control and "firewall" mechanisms between the Company and its affiliates?	V		Greatek has formulated the "Management Guidelines for Related Party Transactions" and set up regulations regarding financial transactions between affiliated companies. Additionally, "Guidelines for Supervision over Subsidiaries" have also been formulated to establish risk control and firewall mechanisms.	None
4. Has the established internal rules prohibiting insider trading on undisclosed information?	V		Greatek has formulated "Procedures for the Prevention of Insider Trading" and "Code of Ethical Conduct" and announced them on both Greatek's internal bulletin board and the "Corporate Governance" section of company website. We informs insiders of common violations from time to time, and remind the Board of Directors of relevant confidentiality and responsibilities in the notice letter of quarterly Board meeting. The "Guide to Regulations Governing Directors" and "Directions Concerning Securities Market Regulatory Matters for TWSE Listed Companies and Their Directors, Supervisors, and Major Shareholders" are immediately sent via	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Explanation	
			Electronic means to newly elected Directors on the day of election of each term, and the new Directors have immediately signed "Statement of Appointment" and are arranged to pursue relevant continuing education courses.	
(III) Composition and Responsibilities of the Board of Directors				
1. Has the Company established a diversification policy for the composition of its Board of Directors and has the policy been implemented accordingly?	V		The diversification policy for the composition of the Board has been stipulated in Article 20 of Greatek's "Corporate Governance Best Practice Principles". To achieve the ideal corporate governance in practice, we have no more than 1 Directors who concurrently serve as employees, and the term of Independent Directors does not exceed 9 years. The composition of the current Board of Directors has diversified professional knowledge and capabilities, and all members have knowledge, skills, and qualities necessary to fulfill their duties. The composition of the Board of Directors is diverse. Among them, there's only one concurrent Managerial Officer (comprises of less than 1/3 of all Directors), and we have 3 Independent Directors, accounting for 1/3 of all Directors. Two of which have assumed office for 4-6 years, and one has assumed office for 7-9 years. Eight members of the Board are aged over 60 while one is aged below 60.	None
2. In addition to establishing Compensation Committee and Audit Committee in accordance with laws, would the Company voluntarily set up other functional committees?		V	Currently, Greatek does not have a need to establish other functional committees.	Will be set up based on future needs.
3. Does the Company establish performance assessment measures and methods of Board of Directors, conduct performance assessment regularly every year, submit the performance assessment result to the Board of Directors and use as reference for individual Director pay and nomination of successor?	V		Greatek's Board of Directors has formulated the "Self-evaluation or Peer Evaluation Method of the Board of Directors" on July 29, 2020, and performance evaluation will be carried out at the end of every fiscal year. The evaluation results will be submitted to the Board of Directors before the end of the following quarter, and results will be used as reference for selecting or nominating Directors.	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																																	
	Yes	No	Explanation																																		
4. Does the Company regularly evaluate the independence of CPAs?	V		<p>Greatek regularly assesses the independence and the competence of the CPA in each year, and adopts the following assessment procedures:</p> <p>1. Examine whether the CPA and members of the audit team are non-stakeholders and meet the following criteria for independence and competence. (Abstract of important criteria)</p> <table><tr><th>Evaluation item</th><th>Yes</th><th>No</th></tr><tr><td>1. The CPA has not served as Greatek's CPA for 7 years or more.</td><td>V</td><td></td></tr><tr><td>2. The CPA has no direct or significant indirect financial interest with Greatek.</td><td>V</td><td></td></tr><tr><td>3. There is no financing or guarantee between the CPA and Greatek.</td><td>V</td><td></td></tr><tr><td>4. The CPA does not have material and close business relationships with Greatek.</td><td>V</td><td></td></tr><tr><td>5. The CPA does not have potential employment with Greatek.</td><td>V</td><td></td></tr><tr><td>6. The CPA has no contingent fees related to Greatek's audit cases.</td><td>V</td><td></td></tr><tr><td>7. The CPA is not a Director or managers of Greatek during the current or most recent two years, and does not have significant influence on the audits.</td><td>V</td><td></td></tr><tr><td>8. There is no kinship relationship between the CPA and any of Greatek's Directors, Supervisors, or personnel who have a significant influence on the audits.</td><td>V</td><td></td></tr><tr><td>9. The CPA and the audit service team members have no acceptance of gifts or special offers of great value from Greatek's Directors, Supervisors, or Managerial Officers.</td><td>V</td><td></td></tr><tr><td>10. No unloading of a joint CPA within one year as a Director, Supervisor or Managerial Officer of Greatek or a position that has a significant influence.</td><td>V</td><td></td></tr></table> <p>2. Submit the assessment results along with the Statement of Independence (no violation of the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10) & AQI Report issued by the CPA to the Audit Committee and the Board of Directors.</p> <p>AQI Report: Disclosure is based on the disclosure framework and disclosure template of the Audit Quality Indicators (AQI) issued by the Financial Supervisory Commission in 5 dimensions and 13</p>	Evaluation item	Yes	No	1. The CPA has not served as Greatek's CPA for 7 years or more.	V		2. The CPA has no direct or significant indirect financial interest with Greatek.	V		3. There is no financing or guarantee between the CPA and Greatek.	V		4. The CPA does not have material and close business relationships with Greatek.	V		5. The CPA does not have potential employment with Greatek.	V		6. The CPA has no contingent fees related to Greatek's audit cases.	V		7. The CPA is not a Director or managers of Greatek during the current or most recent two years, and does not have significant influence on the audits.	V		8. There is no kinship relationship between the CPA and any of Greatek's Directors, Supervisors, or personnel who have a significant influence on the audits.	V		9. The CPA and the audit service team members have no acceptance of gifts or special offers of great value from Greatek's Directors, Supervisors, or Managerial Officers.	V		10. No unloading of a joint CPA within one year as a Director, Supervisor or Managerial Officer of Greatek or a position that has a significant influence.	V		None
Evaluation item	Yes	No																																			
1. The CPA has not served as Greatek's CPA for 7 years or more.	V																																				
2. The CPA has no direct or significant indirect financial interest with Greatek.	V																																				
3. There is no financing or guarantee between the CPA and Greatek.	V																																				
4. The CPA does not have material and close business relationships with Greatek.	V																																				
5. The CPA does not have potential employment with Greatek.	V																																				
6. The CPA has no contingent fees related to Greatek's audit cases.	V																																				
7. The CPA is not a Director or managers of Greatek during the current or most recent two years, and does not have significant influence on the audits.	V																																				
8. There is no kinship relationship between the CPA and any of Greatek's Directors, Supervisors, or personnel who have a significant influence on the audits.	V																																				
9. The CPA and the audit service team members have no acceptance of gifts or special offers of great value from Greatek's Directors, Supervisors, or Managerial Officers.	V																																				
10. No unloading of a joint CPA within one year as a Director, Supervisor or Managerial Officer of Greatek or a position that has a significant influence.	V																																				

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Explanation	
			<p>indicators, with information on both the "firm-level" and "audit case-level" based on the nature of the indicators. The 5 dimensions are professionalism, quality control, independence, supervision, and innovation capability.</p> <p>3. For the most recent two years, CPA's independence and competence have been evaluated and separately approved by the Audit Committee and the Board of Directors on February 24, 2023 and February 23, 2024.</p>	
(IV) Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by Directors, assisting Directors' compliance of law, handling matters related to Board Meetings and Shareholders' Meetings according to law, and minutes of Board Meetings and Shareholders' Meetings)?	V		On October 30, 2020, the Board of Directors has approved the appointment of Vice President Sheng Chen from Administrations Division to serve as the Chief Corporate Governance Officer, the highest ranking manager in charge of corporate governance matters: providing information required by the Directors for execution of business, assisting Directors in complying with laws and decrees, planning and assisting directors' induction training and continuing education courses, continuing to maintain communications between Directors and business managers, handling relevant matters of Meetings of the Board of Directors and Shareholders' Meeting, and making minute books of the Meetings of the Board of Directors and Shareholders' Meeting according to law, handling corporate registrations, reviewing the legality and independence of independent directors' qualifications in a compliant manner, assisting in matters related to the resignation or reassignment of directors or representative personnel, and convening two Investor Conferences in each year to enhance investor relations and to assist in the functions of functional committees and more. The Chief Corporate Governance Officer is required to complete of continuing studies in each year. Please refer to Continuing Studies from Directors and Managers for details.	None
(V) Has the Company established channels for communication with stakeholders (including but not limited to shareholders, employees, customers,	V		Greatek is committed to communicating with stakeholders, and has set up "Stakeholder" section under the "CSR" section on its website. Additionally, all designated contact persons are required to respond to	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Explanation	
suppliers, etc.), set up a “Stakeholder Section” on the website, and appropriately responded to the major CSR issues that stakeholders were concerned with?			opinions from stakeholders, and report to the Board of Directors annually regarding the communication between each individual stakeholder.	
(VI) Has the Company delegated a professional shareholder service agency to handle shareholders' meeting?	V		Greatek has appointed the Share Agency Department at Yuanta Securities Co., Ltd. to handle related shareholder affairs.	None
(VII) Information Disclosure				
1. Does the Company establish a website to disclose information on finance and corporate governance?	V		The "Investors" section on the website discloses financial, business, and governance information in both Chinese and English.	None
2. Does the Company use other information disclosure channels (e.g. maintaining an English website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting Investors conference etc.)?	V		Greatek has implemented the spokesperson system and dedicated personnel are in charge of collecting and disclosing relevant information based on their roles in both Chinese and English on the "Investor" section of company website. Such information disclosure include financial information, Annual Report, Investor Conference, and corporate governance and more.	None
3. Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?	V		Greatek complies with relevant laws, and handles the information reporting and publication before the prescribed deadlines.	None
(VIII) Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		1. Employees' rights: Greatek complies with domestic laws and regulations including the Labor Standards Act, and has implemented the Responsible Business Alliance (RBA) Code of Conduct in practice. Additionally, Greatek has also established the Employee Welfare Committee to handle various employee benefits, while the Pension Supervisory Committee is in charge of formulating the pension system, supervision and management of pension allocations. 2. Employees' well-being: Greatek is focused on occupational safety and health risks, and we strive to protect the occupational safety	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Explanation	
			<p>and health, both physical and emotional well-being of our employees through achieving the ISO 45001 Occupational Safety and Health Management System Certification. We are committed to caring for our employees, and we organize general and special health checkups for our employees in order to prevent occupational hazards. We also file group insurance for our employees.</p> <p>3. Supplier relations: Greatek sees suppliers as important partners to our operations, and we jointly pursue corporate sustainable management and growth with our suppliers through forming close-knit partnerships. Suppliers for our major materials must pass the supplier evaluation and receive regular audit and evaluation to ensure that they meet our requirements for sustainable management and the quality of our collaboration.</p> <p>4. Investor relations, community engagement, and the rights of stakeholders: Greatek is committed to communicating with various stakeholders. Please refer to Status of Communications with Stakeholders for details.</p> <p>5. Continuing studies from Directors and managers: Please refer to Continuing Studies from Directors and Managers for details.</p> <p>6. Risk management policy and implementation of risk evaluation standard: Please refer to Implementation Status of Risk Management Policy and Risk Evaluation Standard.</p> <p>7. Implementation of customer policy: Greatek actively develops technologies that meet the needs of our customers, and has passed various Certifications including IECQ QC 080000:2012, IATF 16949:2016, and ISO 9001:2015.</p> <p>8. Purchase of liability insurance for Directors: Greatek renews the liability insurance for Directors and key employees, and has reported relevant information including the insured amount, scope of insurance, and insurance premium rates to the Board of Directors on October 27, 2023.</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Explanation	
(IX) Please state the improved situation concerning the corporate governance evaluation result published in recent years of corporate governance center of TWSE and raise priority strengthening matters and measures concerning the ones not improved. (Not required for the companies excluded from the evaluation)				
<div>1. To strengthen the structure and functions of the Board of Directors, Greatek has formulated the "Self-evaluation or Peer Evaluation Method of the Board of Directors" on July 29, 2020 and appointed one Chief Corporate Governance Officer on October 30, 2020.</div> <div>2. Greatek values the shareholders' right to know, and immediately announces financial statements on the day that they have been approved by the Board.</div> <div>3. To fairly treat our shareholders, the Company's financial and business reports and material information are also concurrently announced on the MOPS in English.</div> <div>4. To strengthen communications with stakeholders in order to build good interactive channels of communication, we upload the Shareholders' Meeting Handbook and Annual Report earlier than the required deadlines.</div> <div>5. The interim financial report for the fiscal year 2023 of the Company has been reviewed by the audit committee and approved by the Board of Directors.</div> <div>6. To strengthen the functions of the Board of Directors and enhance corporate governance, the Board passed a resolution on February 24, 2023 to relieve Chairman Boris Hsieh of his position as CEO.</div>				
(X) Implementation Status of Risk Management Policy and Risk Evaluation Standard				
<div>On October 29, 2021, the Board of Directors approved the “Risk Management Policy and Procedures” as the basis for Greatek’s risk management. The risk management units within various organizations are organized into a risk management team based on their respective organizations, and the risk management team will propose risk identifications and evaluations in line with the risk management procedures, as well as risk control plans and responses. The highest management level will manage all risk issues and report to the Board of Directors in each year.</div> <div>In 2023, risk management team conducts risk evaluations on environmental, social, and governance issues related to the Company’s operations based on the materiality principle. Relevant risk management policies are subsequently formulated based on the risks determined from the evaluations, which were reported to the Board of Directors on July 28, 2023.</div>				

Greatek Electronics Inc. Risk Management Policy and Procedures

Risk management policy

While confronted with operating risks, financial risks, environmental risks, and safety and health management risks encountered by enterprises around the world, Greatek has formulated risk management mechanisms to manage potential risks that could have possible effects on our operations and

profitability, allowing us to rapidly respond when facing such risks in order to reduce losses and to continue to maintain the rights and interests of stakeholders.

Risk management procedures

1. Collect internal and external issues and stakeholders' requirements and expectations
 - (1) Collect internal and external issues
 - ① Risk management team will jointly review Greatek's strategic goals and management in each May with CSR team, and the risk management team will prepare a list of "stakeholder issues".
 - ② After collecting information relevant to the issues, the risk management team will conduct risk management by evaluating relevant risks.
 - (2) Information on the risks will be stored by the Management Review meeting after evaluation, and the Management Review meeting will inspect and review the changes on the current organizational environment, strategic objectives, and risk management in each year.
2. Risk management
 - (1) Timing of risk evaluation: To address policy or organizational adjustments, the risk evaluation process will be carried out from time to time, and the highest-ranking managers will be in charge of determining the time and scope of such evaluations.
 - (2) Method of risk evaluation
 - ① The risk management team classifies the levels of risk into low, medium, and high, and high risks will be determined as material risks. The units responsible for the material risk issues are required to propose improvement targets and action plans regarding the risk to seize opportunities for improvement and to reduce operating risks.
 - ② Upon approval from the highest management level, completed issue evaluations and improvements will serve as annual targets for relevant units, and management plans will be executed accordingly.
 - (3) Risk handling
 - ① Reduce risks: Improvement targets and improvement plans shall be formulated to reduce the operating risks from material issues.
 - ② Risk tolerance: To properly reflect the existing risks in operations, tolerable low to medium-level risks shall be included in the management procedures of the quality management system.
 - ③ Opportunity measures: Develop new technologies, principles, markets, and launch new products to strengthen Greatek or improve our ability to serve customers.
 - (4) Implementation status and results of the risk improvement plans should be discussed during the Management Review meetings. In case performance review after implementing relevant risk management measures indicates that the risk level has been reduced to a tolerable level, it may be removed from the risk issues.

For the implementation status of risk management, please refer to: Review and Analysis of the Company's Financial Position, Financial Performance and Risk Evaluation: IV. Analysis and Evaluation of Risks.

- IV. In case the Company has set up a Remuneration Committee, its composition, functions, and operations shall be disclosed. Greatek's Remuneration Committee is formed by the three Independent Directors. It is operated in line with Greatek's "Remuneration Committee Charter" and its main duties include the following:
1. Periodically reviewing the Remuneration Committee Charter and making recommendations for amendments.
 2. Establishing and regularly reviewing the Board of Directors and Managerial Officer's performance evaluation in conjunction with the remuneration policies, systems, standards, and structure.
 3. Periodically assessing the degree to which performance goals for the Directors and Managerial Officers have been achieved, setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards.
- (I) Information on the Members of the Remuneration Committee

As of **March 31, 2024**

Title (Note 1)	Qualification	Professional qualifications and experiences (Note 2)	Independence criteria (Note 3)	Number of other public companies where the individual concurrently serves as a member of the Remuneration Committee
	Name			
Independent Director (Convener)	Chu-Chien Feng	<p>1. Independent Director Feng has more than five years of work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company: President of Global View Co., Ltd. (November 1997 to December 2006 Other electronics)</p> <p>Chairman of Global View Co., Ltd. (January 2005 to December 2006 Other electronics)</p> <p>Chairman of Radiant Innovation Inc. (March 2000 to September 2014 Medical devices)</p> <p>Executive Assistant of the President of HiTi Digital, Inc. (2015 to October 2021 Computer and peripheral equipment industry)</p> <p>Supervisor of CHC Technology Inc. (August 2018 to October 2021 Computer and peripheral equipment industry)</p> <p>Independent Director of Avita Corporation (June 2016 to June 2019 Medical devices)</p> <p>Independent Director of AMPAK Technology Inc. (September 2020 to present Telecommunications industry)</p> <p>Independent Director of Powertip Tech Corp. (July 2021 to present Optronics)</p> <p>Director of Neousys Technology INC. (June 2022 to March 2024 Computer and peripheral equipment industry)</p>	<p>1. Independent Director Feng, his spouse, or relative within the second degree of kinship, is not a Director, Supervisor, or employee of the Company or any of its affiliates.</p> <p>2. The number of shares held and shareholding ratio held by Independent Director Feng, his spouse, or relative within the second degree of kinship, or held by a nominee, is zero.</p> <p>3. Independent Director Feng does not serve as a Director, Supervisor, or employee at a company with specific relations with the Company (refer to regulations in Items 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).</p> <p>4. Independent Director Feng has not provided auditing services to the Company or any affiliate of the Company, or provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.</p>	2

Title (Note 1)	Qualification	Professional qualifications and experiences (Note 2)	Independence criteria (Note 3)	Number of other public companies where the individual concurrently serves as a member of the Remuneration Committee
	Name			
		2. When the Director was nominated, a statement was issued stating that no condition defined in Article 30 of the Company Act has occurred.		
Independent Director	Chi-Yung Wu	<p>1. Independent Director Wu has more than five years of work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company: Chairman of Holtek Semiconductor Inc. (~October 1998 Semiconductor) Chairman of Holtek Semiconductor Inc. (October 1998 to present Semiconductor) Chairman of Holtek Semiconductor(Xiamen) Inc. (February 2008 to present Electronics) Chairman of Holtek Semiconductor(China) Inc. (July 2012 to present Semiconductor) Chairman of BestComm RF Electronics Inc. (January 2014 to present Electronics) Chairman of Best Solution Technology Inc. (August 2014 to August 2022 Electronics) Chairman of Best Modules Corp. (May 2016 to present Electronics) Chairman of Holtek Investment Co., Ltd. (March 2003 to present Investment) Director of Holtek Semiconductor(Suzhou) Inc. (October 2018 to present Electronics) Director of Holtek Semiconductor Holding(BVI) Ltd. (October 1999 to present Investment) Director of Kingtek Semiconductor Holding(BVI) Ltd. (January 2002 to present Investment) Director of Bestcomm RF Electronics Inc. (March 2014 to present Investment)</p> <p>2. When the Director was nominated, a statement was issued stating that no condition defined in Article 30 of the Company Act has occurred.</p>	<p>1. Independent Director Wu, his spouse, or relative within the second degree of kinship, is not a Director, Supervisor, or employee of the Company or any of its affiliates.</p> <p>2. The number of shares held and shareholding ratio held by Independent Director Wu, his spouse, or relative within the second degree of kinship, or held by a nominee, is zero.</p> <p>3. Independent Director Wu does not serve as a Director, Supervisor, or employee at a company with specific relations with the Company (refer to regulations in Items 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).</p> <p>4. Independent Director Wu has not provided auditing services to the Company or any affiliate of the Company, or provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.</p>	-

Title (Note 1)	Qualification	Professional qualifications and experiences (Note 2)	Independence criteria (Note 3)	Number of other public companies where the individual concurrently serves as a member of the Remuneration Committee
	Name			
Independent Director	M.J. Chuang	<p>1. Independent Director Chuang has more than five years of work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company: Managing Director of Hikari Glass(H.K.) Limited (December 2003 to December 2004 Optronics) President of Taiwan Business Division, HOYA Corporation (December 2006 to November 2015 Optronic equipment manufacturing) President of Calin Technology Co., Ltd. (January 2016 to December 2019 Optronics) Executive Assistant of the Chairman, Overseas President and Representative of Taiwan Office of Union Optech (Zhongshan) Technology Co., Ltd. (October 2020 to present Optronics)</p> <p>2. When the Director was nominated, a statement was issued stating that no condition defined in Article 30 of the Company Act has occurred.</p>	<p>1. Independent Director Chuang, his spouse, or relative within the second degree of kinship, is not a Director, Supervisor, or employee of the Company or any of its affiliates.</p> <p>2. The number of shares held and shareholding ratio held by Independent Director Chuang, his spouse, or relative within the second degree of kinship, or held by a nominee, is zero.</p> <p>3. Independent Director Chuang does not serve as a Director, Supervisor, or employee at a company with specific relations with the Company (refer to regulations in Items 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).</p> <p>4. Independent Director Chuang has not provided auditing services to the Company or any affiliate of the Company, or provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.</p>	-

Note 1: Please specify the relevant years of work experience, professional qualifications and experiences, and status of independence of each member of the Remuneration Committee in the table. In case a committee member is an Independent Director, the Company may indicate in a Note to refer to Table I Information on Directors and Supervisors on Page XX. For title, please identify whether the person is an Independent Director or other (Please note the committee convener).

Note 2: Professional qualifications and experiences: Specify the professional qualifications and experiences of each member of the Remuneration Committee.

Note 3: Compliance to independence: Specify the compliance to independence criteria in the Remuneration Committee, this includes but is not limited to: whether the committee member, spouse, or relative within the second degree of kinship, has served as a Director, Supervisor, or employee of the Company; the number of shares held and shareholding ratio held by the committee member, spouse, or relative within the second degree of kinship, or held by a nominee; whether the committee member has served as a Director, Supervisor, or employee at a company with specific relations with the Company (refer to regulations in Items 5 to 8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and compensations received by the committee member for providing auditing services or commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.

(II) Information on the operations of the Remuneration Committee

1. Greatek's Remuneration Committee consists of three members.
2. Term of the current Remuneration Committee: from July 21, 2021 to July 20, 2024; in 2023, the Remuneration Committee has convened 3 meetings (A), the Directors' qualifications and attendance are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Chu-Chien Feng	3	0	100	
Member	Chi-Yung Wu	3	0	100	
Member	M.J. Chuang	3	0	100	

Other Matters:

- I. If the Board of Directors refuses to adopt or amend a recommendation of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and Greatek's response to the Remuneration Committee's opinion(e.g., if the compensations approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the variance in compensations and reasons thereof shall be specified):

None.

- II. If there is any member who opposes or has reservations to the resolution of the Remuneration Committee and there is a record or a written statement for it, that record or statement should contain the date of the Board Meeting, the term of the fiscal year, the content of the proposal, and opinions of all members and the follow-up treatments:

None.

- III. Discussions and resolutions from the Remuneration Committee, and the way Greatek handled opinions from the Remuneration Committee:

Remuneration Committer	Reason for discussion	Resolution	Opinion from Remuneration Committee	Greatek's treatment of the Remuneration Committee's opinion
2023/2/24 4th meeting in the 5th term of Audit Committee	Review of the proposal for 2022 employee compensation and Directors' remuneration.	Approved by all members of the Committee.	No	Approved upon discussion from the Board of Directors.
2023/7/28 5th meeting in the 5th term of Audit Committee	Review of the proposal for 2022 employee compensation for managerial officers.	Approved by all members of the Committee.	No	Approved upon discussion from the Remuneration Committee.
	Review of the proposal for 2022 Directors' remuneration.	Approved by all members of the Committee.	No	Approved upon discussion from the Remuneration Committee.
	Review of the proposal for managerial officers' salaries and compensations for 2023.	Approved by all members of the Committee.	No	Approved upon discussion from the Board of Directors.
	Review of the proposal for Executive Vice President & COO's salaries and compensations.	Approved by all members of the Committee.	No	Approved upon discussion from the Board of Directors.
2023/10/27 6th meeting in the 5th term of Audit Committee	Review of the proposal for Division Vice President's salaries and compensations.	Approved by all members of the Committee.	No	Approved upon discussion from the Board of Directors.

- IV. The Greatek Remuneration Committee shall carry out its duties in accordance with the following principles:

A. Ensure that the remuneration arrangements of the Company conform to the law and are sufficient

to attract quality talent.

- B. The performance evaluation and remuneration of directors, supervisors and executives should take prevailing industry standards into account and take into consideration the amount of personal time invested, responsibilities, personal target completion, performance in other roles and company compensation for other people in equivalent roles in recent years. The achievement of the company's short-term and long-term business objectives as well as the company's finances are used to evaluate the correlation between personal performance, company business performance and future risks.
- C. The remuneration plan should not entice directors and managers into exceeding the Company's capacity for risk in pursuit of personal remuneration.
- D. Short-term performance bonuses for directors and senior managerial officers, and the timing of variable salary payments/remunerations shall be set with reference to the particular industry characteristics and the nature of the Company's business.
- E. Whether the content and amount of director and managerial officers' remuneration is reasonable should be taken into account. It is inadvisable for the remuneration decided for directors and managerial officers to diverge excessively from financial performance.
- F. Members of the Committee may not participate in the discussion and voting on their personal remuneration.

- Note: (1) Where members of the Remuneration Committee resign before the end of the year, the Notes column shall be annotated with the date of resignation. Actual presence rate (%) shall be calculated using the number of Remuneration Committee meetings convened and actual presence during the term of service.
- (2) If any member was re-elected before the end of the year, incoming and outgoing members shall be listed accordingly, and the Remark column shall indicate whether the member's status is "Outgoing", "Incoming" or "Re-elected", and the date of re-election. Actual attendance rate (%) shall be calculated using the number of Remuneration Committee meetings convened and actual attendance during the term of service.

V. Fulfillment of Sustainable Development and Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof

Fulfillment Item	Implementation status (Note 1)			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof
	Yes	No	Summary (Note 2)	
I. Has the Company established exclusively (or concurrently) dedicated units to implement sustainable development, and has the Board of Directors appointed the senior management with responsibility for sustainable development, and to report the status of the supervision to the Board of Directors?	V		<p>The company's sustainability (ESG) committee is the top management-level committee within the company responsible for climate-related issues. The chairman serves as the convener of the sustainability promotion committee, and the President serves as a steering committee member. While department managers are responsible for the operation of the committee under their jurisdiction. The committee includes representatives from all operational units of the Company, and is responsible for verifying the management standards and implementation of sustainability issues, evaluating and/or managing climate-related issues, and managing the review of key performance indicators. The Board of Directors oversees the Company's directions on sustainable development, production and sales policies, as well as future sustainable development strategies and regular review measures.</p> <p>The ESG Committee status of ESG and ethical business management executions in 2022 were reported to the Board of Directors on July 28, 2023, and such activities have included operations of the risk management policy and risk management measures, as well as sustainable development performance, etc.</p>	None
II. Has the Company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established related risk management policies or strategies? (Note 2)	V		<p>1. The period of Greatek's ESG information disclose our sustainable development performance from January 1, 2023 to December 31, 2023, and includes specific implementations and performance data in terms of corporate governance and economic, social, and environmental aspects. The ESG assessment boundary contains Greatek Electronics Inc.'s Plant 1, Plant 2, Plant 3, Plant 5, WT Plant 1, WT Plant 2 and Gongyi employees' dormitories, as well as relevant significant topics related to external stakeholders such as customers, suppliers, shareholders, government agencies, communities, and financial institutions.</p>	None

Fulfillment Item	Implementation status (Note 1)			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof
	Yes	No	Summary (Note 2)	
			<p>In 2023, Greatek did not experience any material changes in our scale, structure, ownership, or supply chain.</p> <p>2. Greatek is dedicated to trends and topics related to global sustainability and corporate social responsibilities (CSR), and conducts risk evaluation based on the materiality principle. Such evaluations encompass governance, economics, social, and environmental aspects that are related to Greatek's operations. We have identified potential risks and challenges as well as market opportunities and growth through stakeholder engagement, and formulated risk management policy accordingly. Faced with operational risks, financial risks and environmental risks encountered by enterprises around the world, Greatek has formulated risk management mechanisms to manage potential risks that could have possible effects on our operations and profitability, allowing us to rapidly respond when facing such risks in order to reduce losses and to continue to maintain the rights and interests of stakeholders.</p> <p>3. Relevant risk management policies or strategies are formulated for the risks after evaluations. Please refer to Description II for details.</p> <p>4. The comprehensive explanation of the analysis of climate change risks and opportunities has been disclosed in the Company's Sustainability Report.</p>	
<p>III. Environmental Issues</p> <p>(I) Has the Company established a suitable environmental management system based on the characteristics of its industry?</p>	V		<p>Greatek has acquired the certifications for ISO 14001 and IECQ QC 080000 and received GP certification from major enterprises including SONY and CANON. In terms of the EU regulations, we meet both ROHS and REACH requirements, and have successively received ISO 26262:2011 Road Vehicles Functional Safety Management System certification and IATF 16949:2016 Automotive Quality Management System certification in 2017, and implemented RBA Code of Conduct in order to expand our customer base.</p>	None

Fulfillment Item	Implementation status (Note 1)			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof
	Yes	No	Summary (Note 2)	
			Please refer to the Company Overview for the validity period of the above-mentioned certifications.	
(II) Has the Company committed to improving the efficiency of energy consumption and to use renewable materials that have low impacts on the environment?	V		<p>The Company strives to enhance the efficiency of resource utilization by purchasing new equipment with high energy efficiency and energy-saving designs, and installing variable-frequency air compressors to reduce currents. In response to the Heavy Electricity User Clause, the planning and construction of solar power generation equipment began in 2022 Q2. Construction has been completed in 2023 Q3, The total power generated in 2023 is approximately 875,000 KWh. In 2024, the Company will continue to install solar power generation equipment to further increase the utilization percentage of renewable energy.</p> <p>The Company established a wastewater recycling system and will expand it as the business grows to increase the amount of recycled water. It is committed to recycling and reducing disposable products. We will continue to promote waste reduction and recycling programs to contribute toward the ecology and the environment. For detailed information, please refer to Description—Important Information on the Promotion of Sustainable Development.</p> <p>The Company is committed to green product management by purchasing raw Materials that comply with the EU RoHS, REACH, and halogen-free regulations, in order to reduce pollution from manufacturing processes or after product disposal and minimize environmental impact.</p>	None
(III) Has the Company assessed the potential risks and opportunities arising from climate change at present and in the future and taken related countermeasures?	V		<p>1. Real risks of climate change on enterprises</p> <p>Greatek continues to promote energy-saving and carbon reduction programs and measures in response to the abnormal weather conditions associated with global climate change. To ensure that the risks from climate change will not affect Greatek's operations, we believe that the government, private organizations and</p>	None

Fulfillment Item	Implementation status (Note 1)			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof
	Yes	No	Summary (Note 2)	
			<p>industrial circles should join forces to mitigate these risks and to actively work in line with the government's measures.</p> <p>2. Opportunities for enterprises provided by climate change</p> <p>Greatek believes that business competitiveness can be enhanced through taking proper control over the risks of climate change, leading to more opportunities. Therefore, we continue to implement energy-saving and carbon reduction programs, such as enhancing water utilization efficiency and wastewater recycling. By conducting regular and irregular disaster prevention drills to enhance responsiveness to natural disasters, we can reduce the chances of business interruptions and possible losses. Additionally, we will continue to promote power-saving measures to save costs, And Use renewable energy in compliance with regulations to reduce carbon emissions.</p> <p>Please refer to Climate Information Disclosure by Listed Companies and 2023 ESG Report.</p>	
(IV) Has the Company calculated the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and established the policies with regard to greenhouse gas reductions, water consumption, and waste management?	V		<p>The Company promotes environmental management (ISO-14001) and reduces energy consumption in its processes to minimize carbon emissions. In 2023, every plant has included direct emissions (Scope 1), energy indirect emissions (Scope 2), and indirect emissions from materials and services (Scope 3) in the greenhouse gas inventory per the new version of ISO 14064-1:2018.</p> <p>For detailed information, please refer to Description—Important Information on the Promotion of Sustainable Development and Climate Information Disclosure by Listed Companies.</p> <p>To enhance environmental management performance and to achieve synergistic growth with the environment, Greatek has formulated environmental policy and disclosed it on our website. We have voluntarily conducted greenhouse gas (GHG)</p>	None

Fulfillment Item	Implementation status (Note 1)			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof
	Yes	No	Summary (Note 2)	
			<p>inventories since 2016 in order to achieve our GHG emission reduction goals. We continue to encourage employees to conserve energy use to reach our annual 1% energy-saving goal.</p> <p>Greatek has always been focused on water conservation and environmental protection. In terms of water conservation, we strive to save water in our daily use and have also set up a processing wastewater recycling system to maximize our available water resources. Comparing with the base year, the volume of recycled processing wastewater has increased by 20.79% in 2023, and its volume has increased by 83,563 tons. We will continue to build recycling system based on the volume of our business in 2024, and have established a goal of increasing the volume of recycled wastewater by 1,000 tons, based on that of 2023. Please refer to Explanation 1 for the Company's statistical data.</p> <p>To address climate change, promote sustainable operations, and comply with regulations, the construction of a 1,336KW solar panel system at the Gongyi Plant was completed in 2023. It is projected that in 2024, the Toufen Plant will be equipped with a 625KW solar panel system.</p> <p>In 2023, VOC emissions were 0.00145 kg per floor, meeting the set standard of 0.00175 kg per floor. The set volatile organic compound (VOC) reductions in 2024: we have set a baseline of 0.00179 kg/layer (the 2021 result) for the VOC emissions from wafer coating in the bumping process at Toufen Plant, and plan to reduce the emissions to 0.00173 kg/layer by 2024.</p>	
IV. Social Issues (I) Has the Company formulated appropriate management policies and procedures	√		Greatek has adopted the Responsible Business Alliance (RBA) Code of Conduct, which is in line with the United Nations Guiding Principles on Business and Human Rights, Declaration of Fundamental Principles and Rights at Work, and the Universal	None

Fulfillment Item	Implementation status (Note 1)			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof
	Yes	No	Summary (Note 2)	
according to relevant regulations and the International Bill of Human Rights?			<p>Declaration of Human Rights. We have also formulated and comply with the "Management Guidelines for Social Responsibility". Greatek complies with relevant laws including the Labor Standards Act, and have formulated the Work Rules to protect the legitimate rights and interests of our employees. The Administration Department is responsible for staying up-to-date on the legal amendments to Labor Laws and to update the administrative systems on a timely manner.</p> <p>To facilitate the employees' understanding of their own rights and interests and the management policy and procedures of Greatek, orientation training related to human rights is given on the first day of a new employee's arrival. Training has been provided to 644 national and foreign workers in 2023.</p> <p>The 2023 internal or external audits found no cases of child labor or forced labor.</p>	
(II) Has the Company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?	V		<p>Greatek complies with laws and regulations including the Labor Standards Act in handling wages, work hours, leaves, retirement, and compensations for occupational hazards. Employee performance evaluation is conducted regularly, and annual salary adjustment procedures and employee compensation distribution procedures, have been formulated and serve as the standard for employee evaluation, salary adjustment, and incentives. Greatek shares operational performance or results with employees, and Article 24 of the Articles of Incorporation stipulates that 9% to 15% of the pretax net profit before deducting employees' compensations and Directors' remuneration will be allocated as employees' compensations. Additionally, to inspire employees to strive for Greatek's operational objectives, Year-end Bonus Distribution Procedures and Incentive Bonus Distribution Procedures have been formulated. As the Company's operational goals weren't achieved, incentive bonuses were distributed 0 times in 2023.</p> <p>Greatek has formulated a friendly workplace environment and strives to enhance</p>	None

Fulfillment Item	Implementation status (Note 1)						Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof			
	Yes	No	Summary (Note 2)							
			gender equality in managers and employees: The Company’s labor structure is mostly technical-based, and relevant positions account for 57.49% overall, followed by engineering personnel at 29.29%; managerial positions make up 6.89%, while administrative positions account for 6.33% overall. As of December 31, 2023, 54.5% of Greatek’s total employees are female, while males account for 45.5%.							
			Year	Domestic						
				Male			Female			
				General employee	Sectional manager or manager	Divisional head or above	General employee	Divisional head or manager	Divisional head or above	
			2021	1418	205	18	1502	19	1	
			2022	1383	230	18	1496	19	1	
			2023	1439	247	18	1450	19	1	
			Year	Foreign						Total
				Male			Female			
				General employee	Sectional manager or manager	Divisional head or above	General employee	Sectional manager or manager	Divisional head or above	
			2021	235	0	0	888	0	0	4286
			2022	210	0	0	830	0	0	4187
			2023	178	0	0	782	0	0	4134
The average employee salary disclosed on the 2023 financial statements was NT\$688 thousand. Greatek’s Employee Welfare Committee’s employee benefit expenditure reached NT\$64.23 million in 2023. Please refer to Employee Relations for details on benefit measures.										

Fulfillment Item	Implementation status (Note 1)			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof
	Yes	No	Summary (Note 2)	
(III) Has the Company provided employees with a safe and healthy working environment and routinely conducted safety and health education for employees?	V		<p>In accordance with the ISO 45001 Occupational Health and Safety Management Systems, the Responsible Business Alliance (RBA) Code of Conduct, and local regulations, the plants have established management organizations and conduct regular audits to effectively prevent accidents. Management systems cover all workers of a plant with the goal of "zero accidents."</p> <p><u>Verification Status</u> The Company maintains ISO 45001 Occupational Health and Safety Management System certified, meaning it can effectively address issues that may cause long-term effects on workers' health or lead to accidents.</p> <p><u>Occupational Safety Self-Management</u> The Company promotes occupational safety and health self-management measures, including pre-employment training, on-the-job training, and certification training. It controls potential hazards, providing employees with necessary protective measures and personal protective equipment. Its chemical management and workplace environmental monitoring involves emergency response procedures and annual fire and disaster rescue training.</p> <p><u>Occupational Hazard Prevention</u> Greatek actively prevents occupational hazards and regularly affixes promotional posters at our sites and disseminates information on incidents of occupational hazards.</p> <p>All employees participated in evacuation drills in 2023, and employee health checkups are organized in each year to prevent and manage occupational injuries and diseases. On-site physicians also provide health education services: A three-hour employee safety and health training is given when each employee arrives on site; such trainings were given 9 times/month at Plants I and II, and once per month at Plant III. In addition, in line with applicable laws, an adequate number of first aid personnel and</p>	None

Fulfillment Item	Implementation status (Note 1)			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary (Note 2)	
			<p>safety and health management personnel have been established at each site.</p> <p>In 2023, the disabling frequency rate (FR) of Gongyi Plant and Toufen were 0.15 and 0.52, respectively. This is an improvement over the previous year. There were 2 incidents of personnel occupational hazards, which involved 2 persons (accounting for 0.048% of the total number of employees as of December 31, 2023).</p> <p>In 2023, the Company did not experience any fire incidents or casualties, representing 0% of the total number of employees. To prevent injuries and fatalities caused by fires, the Company conducted 8 fire safety drills in 2023, with the participation of 451 individuals.</p>	
(IV) Has the Company established an effective competency development career training program for employees?	V		<p>High-performing talent is the key to enhance technological competencies and to achieve sustainable growth. Therefore, we strive to develop talent and to build a training system. Our Education & Training Committee aligns Greatek's educational and training objectives throughout the Company, while departmental supervisors and staff will participate in the planning, execution, and performance review of relevant training. The key objectives to Greatek's training is to strengthen professional knowledge and skills and to enhance employees' quality and professional skills in order to foster professional talent and management personnel required by Greatek's developmental needs.</p> <p>Implementation Status of Training in 2023:</p> <p>New employee training: A total of 119 sessions of new employee training were organized in 2023 to both national and foreign workers. Contents of these courses included Company history, management vision, corporate culture, ethical business standards, laws on labor rights and human rights, standards and systems, policies, green and environmental awareness, quality system, occupational safety and health, a summary on manufacturing processes, and Greatek's environment and benefits and</p>	None

Fulfillment Item	Implementation status (Note 1)			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof
	Yes	No	Summary (Note 2)	
			<p>more.</p> <p>Technical assessment: Training for technicians, quality assurance (QA) personnel, trainers, and sectional leaders are based on operating certification trainings, through which we can achieve our goal of producing stable product quality. In 2023, a total of 7,032 persons received operating certificate training.</p> <p>On-the-job training: All departments will submit training plans based on their respective learning needs in each year, and to provide professional functional trainings, internal experts within the departments will serve as lecturers. In 2023, a total of 1,449 training sessions were given.</p> <p>Internal training courses: By integrating the professional functional trainings and coordinating the needs from all departments, Greatek facilitates the organization of courses that include industry knowledge, quality and process, production management, employee development, and regulatory requirements and policy aspects. In 2023, a total of 29,066 persons were trained.</p> <p>External training courses: By factoring in the special nature of professional functions, the need to acquire new knowledge through professional seminars, and to train for professional licenses, external trainings are given in order to enhance relevant professional knowledge or to obtain licenses. In 2023, a total of 363 persons received external trainings.</p> <p>Management training: In 2023, a total of 216 training sessions, amounting to 1,112 hours, were conducted to develop the seven habits of frontline supervisors and high-performing managers.</p>	
(V) Has the Company followed relevant laws, regulations and international guidelines for	V		Greatek formulates product and process-related management procedures and standards in line with customer requirements to ensure that our products comply with international standards including RBA, RoHS 2.0, and REACH and more, thereby	None

Fulfillment Item	Implementation status (Note 1)			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof						
	Yes	No	Summary (Note 2)							
the customer health and safety, right to privacy, and marketing and labeling of its products and services and set up relevant related consumer protection policies and grievance procedures?			ensuring that our products and services can meet customer needs. To ensure that customer privacy will not be leaked, we have specified relevant rules regarding customer privacy and information as well as built comprehensive protection via our IT system. We conduct customer satisfaction survey and analyze the results in each year to protect customer rights and to make continuous improvements. Management procedures for customer grievances have also been formulated to enhance the quality of production and management.							
(VI) Has the Company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised their compliance?	V		<div>1.Greatek has formulated the <u>Supplier and Contractor Management Guidelines</u>, and through supplier selection, audit, and supplier CSR promotions and based on a collaborative model, we have formulated the requirements for various aspects ranging from environmental protection, occupational safety and health, labor rights and human rights, ethical standards, and ethical management in our supply chain.</div> <div>2. Compliance is ensured through supplier audits and visits. 21 suppliers were audited in 2023, accounting for 27% of qualified suppliers. Audit results: all suppliers have passed the audits. Supplier audit results reached 80 points or above.</div> <div>3.All suppliers that Greatek worked with in 2023 met the following criteria:</div> <table><tr><td rowspan="3">Supplier evaluation</td><td>Suppliers are required to pass the supplier evaluation and to comply with the Supplier Code of Conduct.</td></tr><tr><td>Raw material suppliers are required to obtain the ISO9001 Quality Management System certification.</td></tr><tr><td>Factory affairs and relevant operating contractors are required to comply with the requirements from “Contractor Occupational Safety and Health Management Guidelines (ES-00-255).</td></tr><tr><td>Supplier audit</td><td>Greatek has formulated an audit team of 5 that follows up on the improvement progress of suppliers’ deficiencies, thereby jointly enhancing quality and technologies, labor rights and</td></tr></table>	Supplier evaluation	Suppliers are required to pass the supplier evaluation and to comply with the Supplier Code of Conduct.	Raw material suppliers are required to obtain the ISO9001 Quality Management System certification.	Factory affairs and relevant operating contractors are required to comply with the requirements from “Contractor Occupational Safety and Health Management Guidelines (ES-00-255).	Supplier audit	Greatek has formulated an audit team of 5 that follows up on the improvement progress of suppliers’ deficiencies, thereby jointly enhancing quality and technologies, labor rights and	None
Supplier evaluation	Suppliers are required to pass the supplier evaluation and to comply with the Supplier Code of Conduct.									
	Raw material suppliers are required to obtain the ISO9001 Quality Management System certification.									
	Factory affairs and relevant operating contractors are required to comply with the requirements from “Contractor Occupational Safety and Health Management Guidelines (ES-00-255).									
Supplier audit	Greatek has formulated an audit team of 5 that follows up on the improvement progress of suppliers’ deficiencies, thereby jointly enhancing quality and technologies, labor rights and									

Fulfillment Item	Implementation status (Note 1)			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof
	Yes	No	Summary (Note 2)	
			<div>strengthening environmental, safety, and health performance.</div> <div>Supplier CSR promotional conference</div> <div>Greatek organizes supplier CSR promotional conferences from time to time to convey our requirements for environmental protection, occupational safety and health, labor rights and human rights, ethical standards, and ethical management.</div>	
V. Has the Company followed internationally recognized guidelines in preparation of reports such as its Corporate Social Responsibility report to disclose non-financial information of the Company? Has the Company received assurance or certification of the aforesaid reports from a third party accreditation institution?	V		The content framework for Greatek's 2023 ESG Report is prepared in line with the Core Option of the GRI Standards of 2021 edition, announced by the Global Reporting Initiative, GRI and corresponds to the United Nations Sustainable Development Goals (SDGs). It has been publicly disclosed on the "CSR" section of Greatek's website.	None
VI. If the Company has established the Sustainable Development practice principles based on the " Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies ", please describe any discrepancy between the Principles and their implementation: The "Corporate Social Responsibility Practice Guidelines" have been revised by the Board of Directors on April 29, 2022 to the "Sustainability Practice Guidelines." The actual operations are consistent with the established guidelines.				
VII. Any important information helpful to facilitate the understanding of ESG operations: Please refer to instruction 1.				

Note 1: If Implementation Status is specified "Yes," please explain the key policies, strategies and measures taken and the current progress; if Implementation Status is specified "No," please provide reasons and explain any policy, strategy and measure planned for the future. If Implementation Status is specified "Yes," please explain the key policies, strategies and measures taken and the current progress; if Implementation Status is specified "No," please provide reasons and explain any policy, strategy and measure planned for the future. However, regarding the Initiatives 1 and 2, listed companies should describe the governance and supervision framework for sustainable development, including but not limited to management policies, strategy and goal setting, and review measures. The Company's risk management policies or strategies of environmental, social, and corporate governance issues related to operations and their evaluations are also documented.

Note 2: Materiality principle refers to environmental, social and corporate governance issues that are of material impact to the Company's investors and stakeholders.

Instruction 1 : Important information of ESG operations : (Data coverage includes all factory areas and Gongyi dormitories except subsidiaries.)

(I) Data and Implementation of Energy Saving Measures for Most Recent Two Years:

1. In line with the government's energy conservation and carbon reduction policy, Greatek has established our energy conservation goal to be 1% of the total power consumption. Energy conservation of 3,538,606 KWh in 2023, carbon reductions have also reached 1,776.38 tons CO₂e. The energy conservation in 2023 has been increased by approximately 9.78% from 2022, or saving as much as 315,157 KWh annually. In addition, carbon reductions have also reached 158.20 tons CO₂e.
2. In 2023, the volume of recycled processing wastewater has 485,716 ton, than basic year increase by 83,563 tons of 20.79%. We will continue to build recycling system in 2024, and have established a goal of increasing the volume of recycled wastewater by 1,000 tons, based on 2023.

	The verifying institutions	2022	The verifying institutions	2023	Change %
GHG emissions amount	TUV-Nord	140,901.7708 ton CO ₂ e/year	TUV-Nord	126,293.5774 ton CO ₂ e/year (Note)	-10.37%
Tap water intake	TUV-Nord	1,106,755 tons	TUV-Nord	1,045,388 tons	-5.54%
Processing water recycled		607,319 tons		485,716 tons	-20.02%
Power consumption	TUV-Nord	202,296,400 KWh	TUV-Nord	200,997,880 KWh	-0.64%
Energy conservation		3,223,449 KWh		3,538,606 KWh	9.78%

(Note): The 2023 emissions are estimates and have not been verified.

(II) Greatek's Waste Management for the Most Recent Two Years

We continue to promote waste reduction and recycling programs to reduce impacts to the environment:

In 2023, cumulatively 1,745.11 tons of waste was generated from our production processes, in which hazardous waste merely accounted for 310.33 tons. A total of 462.095 tons of waste was recycled and reused, reaching a 26.48% of recycling rate, which is lower than the 27.38% recycling rate from the previous year and indicates our effort toward our continued goal toward waste reduction and recycling.

In 2022, cumulatively 2,029.89 tons of waste was generated from our production processes, in which hazardous waste merely accounted for 322.81 tons. A total of 555.77 tons of waste was recycled and reused, reaching a 27.38% of recycling rate.

The Ministry of Environment has verified the quantity of waste generated by the Company in the past two years.

Types of Waste (tons)	Treatment	2022	2023
Generic	Chemical	1.59	1.96
	Incineration	428.36	410.89
	Physical treatment	721.35	559.83

Types of Waste (tons)	Treatment	2022	2023
Hazardous	Chemical	111.04	135.20
	Incineration	90.93	72.49
	Physical treatment	3.45	7.50
	Solid	90.51	68.04
	Stabilizing treatment	15.88	14.02
	Cleaning/washing	11.00	13.08
Total		1,474.11	1,283.01

Revenue from recycling (NT\$)	2022	2023
Scraps	73,075,752	57,485,115
Plastics	2,482,507	2,157,700
Paper	1,413,759	582,560
Miscellaneous	543,184	3,631,110

3. Intensity (calculated based on revenue; in thousands)

Items	2022	2023
Power Concentration (KWh/NT\$K)	12.68	14.81
Water Concentration (Usage)/Revenue(NT\$K)	0.0695	0.0771
Waste Concentration (Volume)/Revenue(NT\$M)	0.000127	0.000129

4. Performance in Communicating with Stakeholders over Their Topics of Concern

Greatek collects topics related to sustainability based on the UN Sustainable Development Goals (SDGs), industry regulations and standards, industry benchmarks, and the organization's annual objectives. Representatives from each department communicate with stakeholders using various channels of stakeholder communications on a timely basis and as needed. Additionally, topics of stakeholders' concern have been compiled in reference to the GRI (Global Reporting Initiative) Standards.

Greatek reports to the Board of Directors the topics of stakeholders' concern and effectiveness of such communications on an annual basis.

Stakeholders and their significance to Greatek	Topics of concern	Communication channel/frequency	Communication channel/feedback method	2023 Communications Performance
Employees Most important asset; the driver to our productivity growth and foundation to our sustainable operations.	Sustainable performance Operational status Corporate governance Equal opportunity Safety and health Employee rights and interests Diversified workplace	Employment relations conference (quarterly) Employee mailbox (as needed) Internal/external website (from time to time) Employee Welfare Committee (quarterly)	Manager Ned Chen of Administration Department E-mail: ned@greatek.com.tw	<input checked="" type="checkbox"/> Organize employee health checkup (annually) <input checked="" type="checkbox"/> 0 employee grievance <input checked="" type="checkbox"/> Full participation in occupational health and safety training for at least 1 hour
Customers Important business partners, fulfill customers' needs to create win-win situations	Customer relations management Product R&D and innovation Green operations Sustainable supply chain Legal compliance	Monthly Sales Report (monthly) Customer audit (from time to time) Customer service platform (from time to time) Customer satisfaction survey (annually) Quarterly customer business review meeting (quarterly)	Vice President Aaron Chiu from International Division E-mail: aaron@greatek.com.tw	<input checked="" type="checkbox"/> Customer satisfaction survey result has reached 89.9 points <input checked="" type="checkbox"/> No incidents of customer complaint from breaching customer confidentiality
Suppliers Important partner and jointly pursue sustainable operation.	Environmental management Greenhouse gas emissions Employee rights and interests Technical skills and service Sustainable supply chain	Grievance mailbox (from time to time) Supplier audit (annually) Supplier management system (annually) Supplier questionnaire survey (annually)	Manager Ned Chen of Administration Department E-mail: ned@greatek.com.tw	<input checked="" type="checkbox"/> 100% of raw material procurement have met legal compliance requirements. <input checked="" type="checkbox"/> Maintains 100% rate of not using conflict minerals. <input checked="" type="checkbox"/> Supplier audit results reached 80 points or above.
Shareholders Persist in ethical operations and strive to achieve sustainable governance to create value for shareholders.	Corporate governance Sustainable performance Ethical management Risk management Legal compliance	Company website (monthly) Financial statements (quarterly) Shareholders' Meeting (annually) MOPS (from time to time) Communications meetings (monthly)	Spokesperson Vice President Sheng Chen E-mail: sheng@greatek.com.tw	<input checked="" type="checkbox"/> ROE for shareholders reached 9.41% <input checked="" type="checkbox"/> No incidents of corruption or violation had occurred.
Governmental institutions Important driver behind relevant sustainability policies.	Legal compliance Environmental management Greenhouse gas emissions Labor conditions	Written correspondence (from time to time) Questionnaire survey and visits (from time to time) Project and initiatives (from time to time) Communications meetings/forums/seminars (from time to time)	Manager Ned Chen of Administration Department E-mail: ned@greatek.com.tw	<input checked="" type="checkbox"/> Income tax expense reached NT\$693,741 thousand <input checked="" type="checkbox"/> Voluntarily conducted GHG inventories. <input checked="" type="checkbox"/> Waste recycling and reuse reached 26.48%.
Communities Community engagement and care to build a	Green operations Social engagement Environmental management	Company website (monthly) External communication mailbox (timely) Factory grievance hotline (timely)	Manager Ned Chen of Administration Department	<input checked="" type="checkbox"/> Recycled 485,716 tons of processing wastewater. <input checked="" type="checkbox"/> Saved 1% of electricity from

Stakeholders and their significance to Greatek	Topics of concern	Communication channel/frequency	Communication channel/feedback method	2023 Communications Performance
harmonious relationship.	Occupational safety Employment opportunities	Community engagement and activities (from time to time) Visit residents and village/neighborhood chiefs in communities surrounding Greatek's operations (from time to time)	E-mail: ned@greatek.com.tw	power-saving measures. <input checked="" type="checkbox"/> Donated to friend's of Miaoli Police Association.\$30,000 <input checked="" type="checkbox"/> Donated to Shanjia Neighborhood Watch at Zhunan Township. Donated NT\$20,000
Financial institutions Important driver behind relevant sustainability policies.	Ethical management Legal compliance and ethical regulations Corporate governance	Investors' Conference (semi-annually) Financial statements (quarterly) Company website (monthly) MOPS (from time to time) Company website (monthly)	Spokesperson Vice President Sheng Chen E-mail: sheng@greatek.com.tw	<input checked="" type="checkbox"/> Held two Investors' Conferences. <input checked="" type="checkbox"/> Did not receive any whistleblowing report against unethical conduct.

Instruction II: Relevant risk management policies or strategies are formulated for the risks after evaluations, shown as below:

Material issue	Risk evaluation item	Description
Environmental	Environmental impact and management	<ol style="list-style-type: none"> 1. Greatek evaluates the environmental impacts from our processing, service, and operating activities through identifying various environmental aspects and makes improvements, reductions, or replacements accordingly. This helps us to effectively reduce pollution emissions and our impacts on the environment. 2. Greatek has already implemented environmental management activities and are verified with ISO 14001 Environmental Management System. We also regularly obtain the necessary certifications. 3. By identifying the environmental aspects, we can evaluate the risk levels associated with production processes, services, and operating activities. Those with high levels of risk shall formulate management methods or improvements to reduce such risks. 4. To inspect the impacts from our operations, we regularly take inventories of our GHG emissions in line with the ISO 14064-1 standard. Greatek reviews results of carbon inventories and continues to implement carbon reduction measures. This helps us to effectively reduce the risk of Scope I emissions and the indirect emissions (Scope II) from electricity consumption. 5. In terms of regular and ad hoc updates to environmental laws, we undertake compliance evaluation to determine whether our processes, services, and activities comply with the applicable laws and regulations. 6. Internal Audit Office plans internal audit plan for the current period, and audits the status of compliance to relevant environmental laws from Greatek's relevant departments as well as the status of compliance from operating processes.

Material issue	Risk evaluation item	Description
Social	Occupational safety	<ol style="list-style-type: none"> 1. All plants and subsidiaries have received the ISO 45001 Occupational Health and Safety Management System certification in 2023. 2. Greatek conducts regular fire drills and occupational safety training in each year to develop the employees' emergency response and autonomous safety management skills.
	Product safety	<ol style="list-style-type: none"> 1. All Greatek products comply with the governments' laws and policies, and we also comply with international standards including RBA, RoHS 2.0, and SVCH and more. 2. To ensure the quality of our customer service, we regularly and voluntarily initiate customer service satisfaction survey in each year to strengthen our partnership with the customers. 3. To transfer the risk of product liability, reduce financial loss and enhance product safety, we regularly file US\$2 million in product liability insurance.
Corporate governance	Social, economic, and legal compliance	We make sure that all personnel and operations comply with relevant laws and regulations by building a governance organization and implementing the internal control mechanism in practice.
	Strengthening functions of the Board of Directors	<ol style="list-style-type: none"> 1. A Chief Corporate Governance Officer has been established. 2. An Independent Director shall not be in office for more than three terms. 3. Greatek files director's liability insurance for our Directors to protect them against litigations or claims.
	Stakeholder communications	<ol style="list-style-type: none"> 1. Various channels of communication and point of contact have been established, and we actively communicate with stakeholders to reduce opposition and misunderstanding. 2. A Stakeholder section in both Chinese and English is available on Greatek's corporate website. 3. For status of communications with stakeholders, please refer to Performance in Communicating with Stakeholders over Their Topics of Concern.

VI. Climate Information Disclosure by Listed Companies

1. Implementation of climate information.

Item	Implementation Status
1. Describe the Board of Directors and management's oversight and governance of climate risks and opportunities.	1. Greatek's Sustainability (ESG) Committee of the Board of Directors serves as the highest organization for climate change management, and incorporates climate change issues into target and performance management. The ESG task force submits an annual implementation plan at the end of a year for the next year, tracking and reporting the progress on

<p>2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finances (short-term, medium-term, and long-term).</p> <p>3. Describe the financial impact of extreme weather events and transitioning actions.</p> <p>4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, describe its context, parameters, assumptions, analysis factors, and major financial impacts.</p> <p>6. If there is a transition plan for managing climate-related risks, describe the plan as well as the indicators and targets used to identify and manage physical and transition risks.</p> <p>7. Describe the bases of pricing if internal carbon pricing is used as a planning tool.</p> <p>8. If climate targets are set, describe activities, scope of greenhouse gas emissions, schedule, annual progress, and other information involved. If carbon</p>	<p>each project every six months to the ESG Committee and the Board. The task force also includes a Sustainability Operations team responsible for identifying and taking inventory of climate change risks and opportunities, and conducting identification and management to enhance business resilience and seize market opportunities.</p> <p>2. The ESG task force references climate-related financial disclosures to identify transformation, physical risks, and climate change opportunities on a regular basis based on "likelihood of occurrence" and "potential impact". The task force assesses the impact and financial implications of these risks and opportunities and develops short, medium, and long-term action plans.</p> <p>3. Please refer to Description 3: Identification of Risks and Opportunities of Climate Change and the 2023 ESG Report.</p> <p>4. Please refer to Description 3: Identification of Risks and Opportunities of Climate Change and the 2023 ESG Report.</p> <p>5. Please refer to Description 3: Identification of Risks and Opportunities of Climate Change and the 2023 ESG Report.</p> <p>6. Please refer to Description 3: Identification of Risks and Opportunities of Climate Change and the 2023 ESG Report.</p> <p>7. The company currently does not implement internal carbon pricing.</p> <p>8. Please refer to Greenhouse Gas Reduction Targets, Strategies, and Action Plans.</p>
--	---

offsetting or renewable energy certificates (RECs) are used to achieve the targets, describe the source and quantity of carbon offset credits or the number of RECs.	
9. Greenhouse gas inventory and verification status (fill in 1-1)	9. Please refer to Greenhouse Gas Inventory and Verification Status.

1-1 Recent Two-Year Company Greenhouse Gas Inventory and Verification Status

1-1-1 Greenhouse Gas Inventory Information

Please provide the emissions (in metric tons of CO₂e), intensity (in metric tons of CO₂e per million NTD), and scope of data coverage for greenhouse gases (GHG) in the past two fiscal years.

	2022		2023	
	Total emissions Metric tons of CO ₂ e per year	Density) (Metric tons of CO ₂ e per NTD) (Note 4)	Total emissions Metric tons of CO ₂ e per year	Density (Metric tons of CO ₂ e per NTD) (Note 4)
(Scope 1)	1,176.2521	0.07375	1,687.4488	0.12439
(Scope 2)	107,478.1047	6.73886	99,493.9506	7.33461
(Scope 3)	32,247.4140	2.02191	25,112.178	1.85125
Total	140,901.7708	8.83452	126,293.5774	9.31025

Note 1: Direct emissions (Scope 1, which refers to emissions that originate directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, which refers to indirect greenhouse gas emissions from the input of electricity, heat or steam), and other indirect emissions (Scope 3, which refers to emissions generated from company operation that are not indirect emissions from energy, but from emission sources owned or controlled by other companies).

Note 2: The scope of data regarding direct emissions and energy indirect emissions should be implemented according to the schedule specified in the order outlined in Article 10, Paragraph 2 of these Guidelines. Any additional information on indirect emissions may be disclosed voluntarily.

Note 3: The Greenhouse Gas Inventory Standard is based on either the Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1, which is published by the International Organization for Standardization (ISO).

Note 4: The density of greenhouse gas emissions may be calculated per unit of product/service or revenue, but the data calculated based on revenue (in NTD millions) should be disclosed.

Note 5: Data coverage includes all factory areas and Gongyi's dormitories, except subsidiaries.

1-1-2 Greenhouse Gas Verification Information

Please provide a description of the verification status for the two most recent fiscal years up to the date of publication of the annual report. It should include information on the scope of verification, verifying institutions, standards of verification, and verification opinions.

	2022	2023
Scope of verification	All factory areas and Gongyi's dormitories, except subsidiaries	All factory areas and Gongyi's dormitories, except subsidiaries
Verifying institutions	TUV-Nord	TUV-Nord
Standards of verification	14064-1 : 2018	14064-1 : 2018
Verification opinions	NA	NA

Note 1: It should be implemented according to the schedule specified in the order outlined in Article 10, Paragraph 2 of these Guidelines. If the Company fails to obtain complete verification opinions on greenhouse gas by the publication date of the annual report, it should indicate that "the complete verification information will be disclosed in the sustainability report." If the Company does not compile a sustainability report, it should indicate that "the complete verification information will be disclosed on Market Observation Post System" and disclose complete verification information in the next annual report.

Note 2: The verifying institutions shall comply with the relevant verification regulations for sustainability reports set forth by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Action Plans

Please provide the base year of greenhouse gas reduction and its data, reduction target, strategies, specific action plans, and the progress made towards achieving the target.

Base year of greenhouse gas reduction	(Notes 2, 3)
Data of the base year of greenhouse gas reduction	(Notes 2, 3)
Reduction target	Decrease by 1.5% compared to the previous year
Reduction strategies	(1) Electricity saving ratio = 1% of the annual power demand. (2) Renewable energy comprises 1% of the overall electricity consumption. (3) Waste recycling (4) Participation in the Science Based Targets initiative (SBTi)
Specific action plans	(1) The chilled water pump motors was updated in 2023, leading to an annual energy savings of 525 megawatt-hours. (2) In 2023, the average weight of recycling of scrap materials was 500,000 metric tons, while the average weight of recycled items made from other materials was 7 million metric tons. (3) In 2023, the wastewater recycling rate was 40%, resulting in an annual saving of 450,000 tons of tap water. (4) In 2023, the actual output of solar renewable energy reached 875,000 kilowatt-hours. (5) In 2024, the expected output of solar renewable energy is set to reach 1,670 megawatt-hours. (6) The 600T chilled water pump motors is expected to be updated in 2024, leading to an annual energy savings of 324 megawatt-hours.
Progress made towards achieving the target	NA

Note 1: It should be implemented according to the schedule specified in the order outlined in Article 10, Paragraph 2 of these Guidelines.

Note 2: The base year should be the year in which the inventory of the boundary of the consolidated financial statements is completed. For instance, according to Article 10, Paragraph 2 of these Guidelines, companies with a capital exceeding NT\$10 billion should finalize the audit of the consolidated financial statements for the year of 2024 in 2025. Thus, the base year is 2024. If a company has already completed the inventory of the consolidated financial statements beforehand, that year may be regarded as the base year. In addition, the data for the base year can be based on the data of a single year or the calculated average number of multiple years.

Note 3: The Company is the parent entity of a listed or OTC company with a paid-in capital between NT\$5 billion and NT\$10 billion. It is required for the Company to complete the inventory information disclosure starting from 2025 and the disclosure of verification information starting from 2027. The subsidiary companies are required to include the disclosure of inventory information from 2026 and the disclosure of verification information from 2028 in the Company's consolidated financial report.

2. Boundary of Greatek's 2023 Greenhouse Gas Emissions Report.

Category	Subcategory	Facilities
Direct emission sources	Direct emissions from stationary sources	Gas boilers
		Emergency power generators
	Direct emissions from mobile combustion sources	Company vehicles
	Direct emissions from fugitive sources	Septic tanks
		Chiller
		Refrigeration unit of a cold storage
		Fire extinguishers
Energy indirect emission sources	Indirect emissions of electricity	Purchased electricity
Transport indirect sources of emissions	Indirect emissions from upstream transportation of raw materials	Transportation of raw materials
	Indirect emissions from employees' commutes	Transportation of employees' commutes
	Indirect emissions from employees' vehicles for business trip	Vehicles for employees' business trips
Indirect emissions from materials and services	Greenhouse gas emissions from mining, manufacturing and processing of purchased raw materials.	Tap water
		Purchased electricity
		Boilers
		Wastewater treatment
		public facility
		Emergency power generators
		waste treatment

Instruction 3: Identification of Risks and Opportunities of Climate Change

(1) The strategies and management measures for larger risk factors are as follows:

Type	Climate change risks	Financial impact	Response measures
Transformation risks	Energy and greenhouse gas regulations	<ul style="list-style-type: none"> ● Revenue decline ● Increased operating costs 	In 2023, the total amount of wastewater from production processed recycled by the Company was 485,716 tons, reduce by 121,603 tons compared to 607,319 tons in 2022. The Company will continue to promote waste reduction and recycling programs to lower environmental impact.
	Increased cost in greenhouse gas emissions	<ul style="list-style-type: none"> ● Increased installation and operating costs of carbon reduction equipment 	Introduction of ISO14064:2018 inventory for indirect emissions (Scope 3).
	Increased demand for products and services	<ul style="list-style-type: none"> ● Increased investment cost of energy-saving equipment 	Investment in new product development
	Uncertainty in technology/new technology investment	<ul style="list-style-type: none"> ● Increased costs 	Focus on developments in new technologies and strengthening of talents in technology and R&D.
	Impact to corporate image	<ul style="list-style-type: none"> ● Damage to goodwill 	Increase positive exposure of clean energy and low-carbon products and services that creates an ESG corporate image
Physical risks	Typhoons (immediate)	<ul style="list-style-type: none"> ● Property damage ● Revenue decline 	During typhoons, the Company stays informed about work cancellations and relay warnings.
	Floods (immediate)	<ul style="list-style-type: none"> ● Impact on production ● Impact on operations 	Existing plant buildings were constructed with raised foundations and drainage facilities in the plant areas to prevent damage from disasters.
	Rising average temperature (long-term)	<ul style="list-style-type: none"> ● Increased operating costs 	The Company will continue to promote waste reduction and recycling programs to lower environmental impact.

(2) Strategies and management measures for climate change opportunities are as follows:

Type	Opportunity factors	Financial impact	Response measures
Climate change opportunity	Finding new business opportunities	<ul style="list-style-type: none"> ● Expanded revenue from energy-saving products 	Product development incorporates green design thinking to reduce energy consumption from product manufacturing and usage.
	Production processes	<ul style="list-style-type: none"> ● Reducing product defect rate can reduce scrap cost ● Reducing the usage of other chemicals to lower chemical costs. 	Introducing adjustments and improvements to processes.
	Improving energy efficiency	<ul style="list-style-type: none"> ● Reducing energy usage costs 	Regularly inspection of energy management in plant areas and the implementation of energy-saving projects.
	Enhancing positive corporate image	<ul style="list-style-type: none"> ● Improved reputation and Increased demand for low-carbon products/services. 	Strengthening low-carbon green energy production.

(3) Core framework:

Greatek pays attention to global sustainability issues and trends in the industries, aiming to reduce the environmental impact of its operations by working with market trends. It also seeks to identify new business opportunities and work together with society towards sustainable environmental development. Greatek follows TCFD's core framework in disclosing climate-related information in four categories—governance, strategy, risk management, and indicators and targets—on the financial impact of climate change and future response strategies.

Core framework	Governance	Strategy	Risk management	Indicators and targets
Actions	<ul style="list-style-type: none"> • The Board of Directors is responsible for overseeing climate risks. • The ESG Committee is responsible for evaluation and management. 	<ul style="list-style-type: none"> • Short, medium, and long-term targets for climate risks and opportunities are set to address significant impacts on operations, strategy, and finance. • Climate change scenarios are taken into consideration. 	<ul style="list-style-type: none"> • Identification and assessment of climate risks and opportunities. • Included in risk management. 	<ul style="list-style-type: none"> • Disclosure of emissions • Describe risk and opportunity targets, as well as performance metrics.
Specific measure	To inform the Board of Directors about climate issues, Greatek provides an annual report through its Sustainability (ESG) Committee. The Board of Directors takes climate issues into consideration when reviewing guiding strategies, major action plans, risk management policies, annual budgets and business plans, setting organizational performance targets, monitoring execution, and executing/supervising major capital expenditures.	The company's sustainability (ESG) committee is the top management-level committee within the company responsible for climate-related issues. The chairman serves as the convener of the sustainability promotion committee, and the President serves as a steering committee member. While department managers are responsible for the operation of the committee under their jurisdiction. The committee includes representatives from all operational units of the Company, and is responsible for verifying the management standards and implementation of sustainability issues, evaluating and/or managing climate-related issues, and managing the review of key performance indicators.	The Company considers the scope and situations of climate change impacts, evaluating and scoring physical and transitional risks based on the likelihood of occurrence and severity of impact, and dividing them into scored quadrants. Projects with high frequency and high severity require risk mitigation plan analysis, which should be updated every six months to ensure effectiveness.	Greatek sets short, medium, and long-term carbon reduction targets and regularly manages greenhouse gas emissions in various areas. For detailed information, please refer to the 2023 ESG Report.

VII. Performance of Ethical Corporate Management and Discrepancy with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation item	Implementation status			Discrepancy with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
(I) Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				
1. Has the Company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies?	V		Greatek faithfully treats current customers and suppliers with honesty and integrity to develop long-term partnerships. We pursue sustainable operations through prudent and practical financing, and strive to innovate our core business and have set the most rigorous quality requirements in order to provide the best services. Therefore, our corporate ethos are founded on being "faithful, practical, innovative, and quality", and the Board of Directors have approved of and formulated "Ethical Corporate Management Best Practice Principles" for compliance.	None
2. Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		We have specified in our Code of Business Conduct and Ethics: (1) ethical management policy before engaging in business relations: ensure the method of business management of the counterparty is fair, transparent, and does not request, provide, or accept bribery through assessment and adopting proper audit procedures; (2) describe Greatek's Code of Business Conduct and Ethics to the counterparty; (3) prevent engaging in transactions with unethical counterparties; and (4) include ethical business conduct in procurement contract to prevent any unethical conduct.	None
3. Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?	V		Greatek has specified the types of unethical conduct and benefits in the Code of Business Conduct and Ethics, and prohibited the provision or acceptance of improper benefits, the dedicated departments, the types of improper benefits prohibited, the procedures for handling the acceptance of improper benefits, procedures for prohibiting and handling of facilitating payments, the procedures for handling donations or sponsorships, and the conflict of interest and more. In addition, it also specifies the procedures for handling unethical conduct from Greatek's employees, an incentive/disincentive and grievance system, and the dedicated department shall report the unethical conduct, the handling	None

Evaluation item	Implementation status			Discrepancy with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
(II) Fulfilling ethical corporate management			method, and subsequent review and improvement measures to the Board of Directors.	
1. Has the Company evaluated the integrity records of its property, and stipulated ethical conduct on its business transactions?	V		<p>Greatek engages in business transactions based on the principle of equality, integrity, honesty, and transparency. To implement our ethical corporate management policy and to actively prevent unethical conduct, we conduct proper background check on new transaction counterparties before engaging in transactions, which helps us to avoid transacting with unethical parties. In addition, we also specify the provisions of ethical corporate management in contracts we sign with transacting counterparties or when signing the RBA Code of Conduct Statement. Greatek reviews our procurement amount from suppliers in the previous year in every January. To actively prevent against unethical conduct, suppliers whose procurements reach NT\$10 million are required to sign the “Statement of Ethical Business Conduct”. A total of 143 (7.7%) of the suppliers have signed the “Statement of Ethical Business Conduct.”</p>	None
2. Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	V		<p>Greatek's designated the Administration Department as the unit for promoting Ethical Corporate Management Best Practice Principles is, which also reports its promotions, supervision and implementation of the ethical corporate management policy to the Board of Directors on an annual basis. No unethical conduct has been found nor have any whistleblowing reports been received during the most current report for the last fiscal year to the Board of Directors on July 28, 2023.</p>	None
3. Has the Company established policies to prevent conflicts of interest and provided appropriate communication channels to implement policies properly?	V		<p>Besides Ethical Corporate Management Best Practice Principles, Greatek has also specified the recusal of conflicts of interest in the Code of Ethics and Business Conduct and Employee Code of Ethics, and it has also been stipulated in the Work Rules and in our procurement contracts. Please refer to the implementation of recusal of Directors from voting due to conflicts of interest for details.</p>	None
4. Has the Company established effective accounting	V		<p>Greatek has appointed a large-scale accounting firm in Taiwan for auditing and verification matters, and the accounting firm and its CPAs</p>	None

Evaluation item	Implementation status			Discrepancy with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
<p>systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?</p> <p>5. Does the Company regularly holds internal and external education and training on ethical corporate management?</p>	V		<p>verify our financial position and internal control through an independent stance while complying with legal regulations. Unethical conduct has been included into the internal control procedures for each department. Internal auditors will formulate annual Audit Plan based on risk evaluations, and regularly audit and report to the Audit Committee and the Board of Directors.</p> <p>Greatek publicly discloses the Code of Ethics and Business Conduct and Ethical Corporate Management Best Practice Principles on company website and intranet, and every new employee shall sign a labor contract on their first day of employment, which stipulates that they adhere to the highest standards of integrity during their employment and prohibit all forms of corruption, extortion, blackmail, and misappropriation of public funds. They shall not provide or accept bribes or other forms of illegitimate gain. A total of 644 new employees signed the labor contracts in 2023. Please see Continuing Studies of Directors and Managerial Officers for external training.</p>	None
(III) Operations of the corporate whistleblowing channel				
1. Has the Company established a specific whistleblowing and reward system, set up convenient whistleblowing channels and designated appropriate personnel to the accused party?	V		Greatek has stipulated whistleblowing and reward system in the "Communications Management Procedures", and the designated personnel is the Administration Department. The whistleblowing procedure has been announced on Greatek's website.	None
2. Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	V		Investigation procedures and confidentiality mechanisms have been formulated in the whistleblowing system, which is a part of the "Communications Management Procedures".	None
3. Has the Company adopted protection against inappropriate disciplinary actions taken against the	V		To prevent unfair treatment or retaliations, whistleblower protection measures have been formulated in the whistleblowing system as part of	None

Evaluation item	Implementation status			Discrepancy with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
whistleblower?			the "Communications Management Procedures".	
(IV) Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and Market Observation Post System ("MOPS")?	V		Greatek discloses the "Ethical Corporate Management Best Practice Principles" and its implementation results on its website.	None
(V) If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies", please describe any discrepancies between the prescribed best practices and the actual activities taken by the Company: The company attaches great importance to honest management, and there is no difference between the actual operation and the established rules.				
(VI) Other important information to facilitate a better understanding of the Company's ethical corporate management policies (e.g. review and amend its policies): None.				

VIII.If the Company has established the Corporate Governance Best Practice Principles and related regulations, the searching methods shall be disclosed:

1. Company website: Investors → Corporate Governance.
2. Market Observation Post System: Corporate Governance → Establishment of related corporate governance regulations and rules.

IX Other material information that can enhance the understanding of corporate governance shall be disclosed:

(I) Continuing Studies from Directors and Managerial Officers

Title	Name	Training period	Organizer	Course name	Number of hours
Chairman	Boris Hsieh	2023/10/31	Taiwan Corporate Governance Association	Risks and Challenges of Emerging Technology	3.0
Director	D.K. Tsai	2023/11/03	Taiwan Corporate Governance Association	New version of corporate governance blueprint and ESG	6.0
		2023/10/31	Taiwan Corporate Governance Association	Risks and Challenges of Emerging Technology	3.0
Director	Louis Ning	2023/10/31	Taiwan Corporate Governance Association	Risks and Challenges of Emerging Technology	3.0
Director	J.S. Leu	2023/10/31	Taiwan Corporate Governance Association	Risks and Challenges of Emerging Technology	3.0
Director	Y.C. Chi	2023/10/31	Taiwan Corporate Governance Association	Risks and Challenges of Emerging Technology	3.0
Independent Director	Chi-Yung Wu	2023/10/30	Taiwan Corporate Governance Association	Analysis of key points of the new corporate governance blueprint and legal compliance	3.0
		2023/03/08	Taiwan Corporate Governance Association	The sustainable development of ESG enterprises depends on the information security governance strategies of listed companies.	3.0
Independent Director	Chu-Chien Feng	2023/11/08	Taiwan Institute of Directors	The Opportunities and Risks In the Digital Era	3.0
		2023/11/07	Taiwan Corporate Governance Association	The development trend of enterprise dual-axis transformation	3.0
		2023/03/24	Taiwan Corporate Governance Association	Corporate governance and securities regulations practice case analysis	3.0
Independent Director	M.J. Chuang	2023/05/23	Taiwan Stock Exchange	Publicity meeting on sustainable development action plans for listed companies	3.0
		2023/05/12	Taiwan Corporate Governance Association	ESG trends and epidemic environment talk about global and Taiwan tax reform and corporate tax governance	3.0
Chief Corporate Governance Officer	Sheng Chen	2023/11/13	The Institute of Internal Auditors-Chinese Taiwan	Prevention and Treatment of Sexual Harassment and Unlawful Infringement (Bullying) in the Workplace	6.0
		2023/06/09	The Institute of Internal Auditors-Chinese Taiwan	Practical discussion and countermeasures on insider trading and false financial reports	6.0
Accounting Manager	Mei-Ling Lin	2023/09/11 ~ 2023/09/12	Accounting Research and Development Foundation	Issuer, Securities Exchange, and Stock Exchange Accounting Supervisor Continuing Education Courses, Professional Training Courses	12.0

(II) Composition of the Board of Directors and Key Management Succession Plan and Related Operations

Greatek is a member of the PTI Group, which is forming its succession plan. On top of outstanding capability in forming business strategies, skills of logical analysis, and management skills, the successor must also be people-oriented and meet our corporate culture of honesty and integrity. The successor must achieve sustainable management through setting the goals of “having the best technical skills, quality, and service in the world”.

1. Succession Plan of Directors and Key Management:

The succession plan of Greatek's Directors and key management officers are planned by parent company Powertech Technology Inc.

In the Group's succession plan, the successors of the Board of Directors and key management personnel must not only possess outstanding capabilities in formulating corporate strategies, logical analysis and management, but also have values that align with a human-oriented and integrous corporate culture that lead toward goals in sustainable management.

The Group also plans to appoint senior executives to serve as directors, supervisors, or managers in subsidiary companies to enhance strategic capabilities of business operations and build management experiences.

The company completed the chairman's succession arrangement on 2021/7/21.

2. Succession of corporate management vision and experiences from mid-tier and Senior Managerial Officers

(1). Systemized management vision and management experiences:

By having Senior Managerial Officers systemizing the management visions and their management experiences, and building proper core competencies, management skills, and function-specific systems, we can pass on and extend existing visions and experiences.

(2). Formulation and participation in key conferences

Mid-tier and senior executives will be further familiarized with the management core, learn management visions, and understand industry trends and Greatek's developmental plans and strategies by participating in management meetings, sales meetings, manufacturing meetings, production/sales meetings and R&D meetings and more.

3. Talent training and development plans

Greatek implements performance management through open performance evaluation system. The function of which has been revised to reflect on "prioritizing employee development over performance evaluation" to achieve the balanced objectives of both evaluation and developmental needs. Additionally, Greatek has also formulated "Guidelines to Promotions toward Management Functions", which defines the basic criteria needed for each management role. When vacancies show up throughout the organization, Greatek will adopt a fair, just, and objective perspective to promote suitable management talent through internal recommendations.

X. Internal Control System Execution Status
(I) Statement of Internal Control

Greatek Electronics Inc.

Statement of Internal Control System

Dated: February 23, 2024

Greatek's internal control system for 2023 is announced based on the results of self-evaluation. The following is our statement:

1. Greatek acknowledges the establishment, implementation and maintenance of the internal control system (ICS) are the responsibilities of the Board of Directors and the Managerial Officers, and Greatek has established the said system accordingly. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws, and regulations.
2. The internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Greatek takes immediate remedial actions in response to any identified deficiencies.
3. Greatek evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Within each component, it has more projects included. For more information, please refer to the "Regulations".
4. Greatek has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of the aforementioned evaluation, Greatek believes that, on December 31, 2023, we have maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries) to provide reasonable assurance over our operating effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement will be an integral part of Greatek's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality made with regard to the above contents will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement has been approved by the Board of Directors on February 23, 2024, with none of the nine attending Directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Greatek Electronics Inc.

Chairman: Boris Hsieh

President: Louis Ning

(II) The CPA's review report shall be disclosed if any CPA is commissioned to review the ICS:

None.

XI. In the most recent fiscal year up to the publication date of this Annual Report, there has been punishment of the Company or its internal personnel, or punishment of the Company to its internal personnel for violating internal control system regulation, and its punishment results might have significant influence on shareholders' equity or securities' price, the punishment, main deficiencies and improvements shall be listed:

None.

XII. Major resolutions adopted by the Shareholders' Meeting and the Board of Directors in 2023 and up to the publication date of this Annual Report:

(I) Disclosure of resolutions from Shareholders' Meeting on May 30, 2023 and their Implementations:

1. Adoption of 2022 Business Report and Financial Statements.

Resolution: 400,769,109 votes in favor, accounting for 97.17% of all voting rights (412,409,995 votes). This proposal from the Board of Directors has been approved without amendment.

2. Adoption of 2022 Earnings Distribution Plan.

Resolution: 401,264,479 votes in favor, accounting for 97.29% of all voting rights (412,409,995 votes). This proposal from the Board of Directors has been approved without amendment.

Implementation status:

① The 10th meeting from the 10th term of the Board of Directors convened on July 28, 2023 has approved of the ex-dividend date for cash dividend distribution as September 4, 2023, and the distribution date as September 27, 2023.

② Cash dividend of NT\$3.7 per share was distributed on September 27, 2023 pursuant to the resolution from the Board of Directors.

3. Approved of Release the Prohibition on Directors from Participation in Competitive Business.

Resolution: 395,728,223 votes in favor, accounting for 95.95% of all voting rights (412,409,995 votes). This proposal from the Board of Directors has been approved without amendment.

Implementation status: The Company follows to shareholders' meetings.

4. Approved the issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares ("DR Offering") and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement ("Private Placement Shares") and/or issuance of overseas or domestic bonds in private placement("Private Placement Ordinary Corporate Bonds or Convertible Bonds") and/or issuance of overseas or domestic bonds ("Ordinary Corporate Bonds or Convertible Bonds").

Resolution: 395,253,996 votes in favor, accounting for 95.84% of all voting rights (412,409,995 votes). This proposal from the Board of Directors has been approved without amendment.

Implementation status: The Board has resolved to discontinue the private placement offering on February 23, 2024.

(II) Major Resolutions from the Board of Directors

Board of Directors Meeting	Major resolutions
February 24, 2023 8th meeting from the 10th Board	<p>Approved the 2022 remuneration for employees and Directors.</p> <p>Approved the 2023 Business Plan.</p> <p>Approved the 2022 financial statements.</p> <p>Approved the 2022 Annual Operating Report.</p> <p>Approved the 2022 earnings distribution plan.</p> <p>Approved the proposal to amend the internal control system.</p> <p>Approved the 2022 assessment on the effectiveness of internal control system" and "Statement of Internal Control System".</p> <p>Approved appointment of 2023 CPA and evaluation on CPA's independence.</p> <p>Approved the discharge of the managerial personnel.</p> <p>Approved to release the Directors from the non-compete restrictions.</p> <p>Approved the issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares ("DR Offering") and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement ("Private Placement Shares") and/or issuance of overseas or domestic bonds in private placement ("Private Placement Ordinary corporate bonds or convertible bonds") and/or issuance of overseas or domestic bonds ("Ordinary corporate bonds or convertible bonds").</p> <p>Approved the Amendment to the "Corporate Governance Best Practice Principles".</p> <p>Approved the convention of the 2023 Annual General Shareholders' Meeting.</p>
April 28, 2023 9th Meeting from the 10th Board	<p>Approved the 2023 First Quarter (Q1) financial statements.</p> <p>Approved the application for amount to be used toward engagement in transaction of forward exchange derivatives.</p> <p>Approved the credit lines from financial institutions.</p>
July 28, 2023 10th Meeting from the 10th Board	<p>Approved the 2023 Second Quarter (Q2) financial statements.</p> <p>Approved the credit lines from financial institutions.</p> <p>Established the ex-dividend date and distribution date of cash dividends for 2022.</p> <p>Approved the 2023 remuneration adjustment proposal for the Managerial Officers and various compensation packages.</p> <p>Approved appointment of Chief Operating Officer.</p>
October 27, 2023 11th Meeting from the 10th Board	<p>Approved the 2023 Third Quarter (Q3) financial statements.</p> <p>Approved the 2024 Audit Plan.</p> <p>Approved the promotion of the managerial personnel.</p> <p>Approved the proposed plans to evaluate investment in Southeast Asia.</p>
February 23, 2024 12th meeting from the 10th Board	<p>Approved the 2023 remuneration for employees and Directors.</p> <p>Approved the 2024 Business Plan.</p> <p>Approved the 2023 financial statements.</p> <p>Approved the 2023 Annual Operating Report.</p> <p>Approved the 2023 earnings distribution plan.</p> <p>Approved the proposal to amend the internal control system.</p> <p>Approved the 2023 assessment on the effectiveness of internal control system" and "Statement of Internal Control System".</p> <p>Approved appointment of 2024 CPA and evaluation on CPA's independence.</p> <p>Approved resolved to terminate the issuance of new common shares for cash to sponsor the issuance of the overseas depositary shares ("DR Offering") and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement ("Private Placement Shares") and/or issuance of overseas or domestic bonds in private placement("Private Placement Ordinary corporate bonds or convertible bonds") and/or issuance of overseas or domestic bonds ("Ordinary corporate bonds or convertible bonds").</p> <p>Approved the proposed amendment to the "Rules of Procedure for Board of Directors Meetings".</p> <p>Approve the Reelection of the Board of Directors.</p> <p>Approved to release the Directors and Representative of corporate Director from the non-compete restrictions.</p> <p>Approved the convention of the 2024 Annual General Shareholders' Meeting.</p>

XII. In 2023 and up to the publication date of the Annual Report, if any Directors have expressed any dissenting opinions with respect to a material resolution passed by the Board of Directors, which has been recorded or prepared as a written declaration, the principal content thereof shall be disclosed:
None.

XIII. Resignation and dismissal of the Company's Chairman, President, Head of Accounting, Head of Finance, Chief Internal Audit Officer, Chief Corporate Governance Officer and Head of R&D in 2023 and as of the date of publication of the Annual Report:

As of April 1, 2024

Title	Name	Date of Assumed Office	Date of Resignation	Reason For Resignation Or Dismissal
CEO	Boris Hsieh	2013/1/1	2023/2/24	To strengthen the functions of the Board of Directors and enhance corporate governance, the Board passed a resolution on February 24, 2023 to relieve Chairman Boris Hsieh of his position as CEO.

Chapter 5 Information on CPA Fees:

Unit: NTD thousands

CPA firm	Name of CPAs	Audit Period	Audit fee (Note 1)	Non-audit fee(Note 2)	Total	Remarks
Deloitte Taiwan	CPA Cheng-Chih Lin	From January 1, 2023 to December 31, 2023	2,910	Tax compliance audit, Review of Annual Report for Shareholders' Meeting, Printing fees, Bonded inventory count/audit, review of PPA evaluation reports and etc. totaling 1,337	4,247	
	CPA Su-Li Fang.					

Note1: Audit fee refers to service fee paid to external auditor regarding the audit and review of financial statement.

Note 2: Please specify the contents of the non-audit fees: (For instance, tax compliance audit, assurance, or other financial consultation service).

(I) If the CPA firm is replaced and the audit fee paid in the replacement year is lower than the audit fee in the previous year, the amount of the audit fee before and after the replacement shall be disclosed and the reason:

None.

(II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed:

None.

Chapter 6 Information on Replacement of CPAs: Where Greatek Changed CPA During the Last Two Years and the Period After That, the Following Matters Shall Be Disclosed:

I. Regarding the former CPAs

Date of Replacement	February 25, 2022		
Reason for Replacement and Explanation	Internal adjustment of the accounting firm		
Statement on whether the authorizing party or the CPA terminated or declined the engagement	Situation	CPA	The Authorizing Party
	Counterparty		
	Voluntarily terminated the engagement	-	-
	Declined (further) engagement	-	-
The opinion and reason for issuing an audit report expressing other than an unqualified opinion during the 2 most recent years	No		
Different opinions from the issuer	Yes	-	Accounting principles or practices
		-	Disclosure of financial statements
		-	Scope or procedure of auditing
		-	Other
	No	V	
	Description		
Other disclosures (Where Subparagraph 1-4 to Subparagraph 1-7, Paragraph 6, Article 10 of the Regulations shall be disclosed)	No		

II. Regarding the succeeding CPAs

CPA firm	Deloitte Taiwan
Name of CPAs	CPA Cheng-Chih Lin and CPA Su-Li Fang
Date of Engagement	Approved by the Board of Directors on February 25, 2022.
Subjects discussed and the consultation results with the newly engaged CPAs regarding the accounting treatment of or application of accounting principles to a specified transaction, or the type of audit opinion that might be rendered on the Company's financial report prior to the formal engagement	Not Applicable.
Written views from the successor CPAs regarding the matters on which they did not agree with the former CPAs	Not Applicable.

III. The former CPA's reply to Subparagraph 1 and Subparagraph 2-3, Paragraph 6, Article 10 of the Regulations:

Not applicable.

Chapter 7 Company Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding A Position at the Company's CPA Accounting Firm or at an Affiliated Enterprise of Such Accounting Firm:

None.

Chapter 8 Equity Transfer or Changes of Equity Pledged by Directors, Managerial Officers, and Shareholders with 10 Percent Shareholdings or More in the Most Recent Year and Up to the Date of Publication of the Annual Report:

I. Regarding the Changes in Equity of Chairman, Managers and Shareholders

Unit: thousand shares

Title	Name	2023		As of March 31, 2024	
		Addition (reduction) of shareholding	Addition (reduction) of pledged shares	Addition (reduction) of shareholding	Addition (reduction) of pledged shares
Substantial shareholder and Corporate Director	Powertech Technology Inc.	0	0	0	0
Chairman	Boris Hsieh	0	0	0	0
Representative of Corporate Director	D.K. Tsai	0	0	0	0
Representative of Corporate Director and President	Louis Ning	-40	0	0	0
Representative of Corporate Director	J.S. Leu	0	0	0	0
Representative of Corporate Director	Yu-Chin Chen	0	0	0	0
Corporate Director	Hung-Wei Venture Capital Co., Ltd.	0	0	0	0
Representative of Corporate Director	Jr-Neng Chang	0	0	0	0
Independent Director	Chu-Chien Feng	0	0	0	0
Independent Director	Chi-Yung Wu	0	0	0	0
Independent Director	M.J. Chuang	0	0	0	0
Executive Vice President & COO	Y.C. Chi (Note1)	0	0	45	0
Vice President of Manufacturing Division	Avis Lee	0	0	0	0
Vice President of Testing Division	Jones Chen	0	0	0	0
Vice President of Administration	Sheng Chen	0	0	0	0
Vice President of WLP Division	Leon Wu (Note 2)	0	0	0	0
Vice President of R&D Division	Yu-Yuan Chen (Note 2)	0	0	0	0
Vice President of Domestic Division	Jackey Chueh (Note 2)	0	0	0	0
Vice President of International Division	Aaron Chiu (Note 2)	0	0	0	0
Accounting Manager	Mei-Ling Lin	0	0	0	0

Note1 : Date assuming office on September 1, 2023.

Note1 : Date assuming office on November 1, 2023.

II. Information on share transfer: None.

III. Information on changes in equity pledge: None.

Chapter 9 Relationship Information on the Company's Ten Largest Shareholders who are Related Parties or Relatives within the Second Degree of Kinship

As of March 29, 2024

Name (Note 1)	Shares held in person		Shares held by spouse and minor children		Shareholding by nominee arrangement		The titles or names and relationships of the top ten shareholders who are affiliates, spouses, or relatives within the second degree of kinship. (Note 3)		Remarks
	Shares	Shareholding ratio%	Shares	Shareholding ratio%	Shares	Shareholding ratio%	Title	Relationship	
Powertech Technology Inc. Company Representative: D.K. Tsai	244,064,379	42.91	-	-	-	-	None	None	
	0	0	-	-	-	-	None	None	
Chang Gung Medical Foundation Company Representative: Ruei-Huei Wang	12,592,000	2.21	-	-	-	-	None	None	
	0	0	-	-	-	-	None	None	
Su-Yu Wu	6,500,000	1.14	4,444,668	0.78	-	-	Chuang-Hsien Chueh	Spouse	
Chang Wah Electromaterials Inc. Company Representative: Hung, Chuen Sing	6,078,000	1.07	-	-	-	-	None	None	
	15,000	0	-	-	-	-	None	None	
Hung-Wei Venture Capital Co., Ltd. Company Representative: Po-Jen Yeh	5,823,602	1.02	-	-	-	-	None	None	
	0	0	-	-	-	-	None	None	
Chiu-Hsia Yang	5,731,763	1.01	-	-	-	-	None	None	
Dedicated investment account from Norges Bank in the custody of CitiBank Taiwan	5,334,000	0.94	-	-	-	-	None	None	
Chuang-Hsien Chueh	4,444,668	0.78	6,500,000	1.14	-	-	Su-Yu Wu	Spouse	
Weltrend Semiconductor, Inc. Company Representative: Sam Lin	4,385,000	0.77	-	-	-	-	None	None	
	0	0	-	-	-	-	None	None	
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	4,086,961	0.72	-	-	-	-	None	None	

Note 1: The top ten shareholders' names shall be identified separately (in the case of corporate shareholders, the corporate shareholders' names and representatives' names shall be identified separately).

Note 2: The ratio of shareholding is calculated in terms of shares held in person, shares held by spouse & minor children or shareholdings by nominee arrangement.

Note 3: Relationship between the aforementioned shareholders (including corporate shareholders and natural persons) shall be disclosed according to Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Chapter 10 Total Number of Shares Held by the Company, its Directors, Managerial Officers, and Companies Directly or Indirectly Controlled by the Company:

Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Get-Team Tech Corp.,	7,796,498	97.46%	0	0	7,796,498	97.46%

Note: Investment using Equity Method Evaluation.

Capital Overview

Chapter 1 Capital and Shares

I. Sources of Capital

Unit: 1,000 shares; NT\$1,000

Month/Year	Issue Price (Per Share)	Authorized capital		Paid-in capital		Remarks			
		Shares	Amount	Quantity	Amount	Sources of capital		Capital increase by assets other than cash	Other
02/1983	10	100	1,000	100	1,000	Total capital at incorporation		None	-
06/1984	10	1,000	10,000	1,000	10,000	Capital increase by cash	9,000	None	-
07/1986	10	2,000	20,000	2,000	20,000	Capital increase by cash	10,000	None	-
08/1987	10	3,000	30,000	3,000	30,000	Capital increase by cash	10,000	None	-
09/1988	10	4,000	40,000	4,000	40,000	Capital increase by cash Capital increase by retained earnings	4,000 6,000	None	-
11/1995	10	60,000	600,000	18,000	180,000	Capital increase by cash	140,000	None	MOEA (85) No. 120246 on January 17, 1996
04/1996	10	60,000	600,000	30,000	300,000	Capital increase by cash	120,000	None	Tai-Cai-Zheng- (1) No. 20596 on March 26, 1996
07/1997	10	60,000	600,000	60,000	600,000	Capital increase by cash	300,000	None	Tai-Cai-Zheng- (1) No. 42708 on May 30, 1997
07/1998	10	200,000	2,000,000	121,375	1,213,750	Capital increase by cash Capital increase by retained earnings	400,000 213,750	None	Tai-Cai-Zheng- (1) No. 46158 on May 27, 1998
07/1999	10	200,000	2,000,000	149,481	1,494,809	Capital increase by retained earnings	281,059	None	Tai-Cai-Zheng- (1) No. 60663 on July 5, 1999
06/2000	10	200,000	2,000,000	184,282	1,842,819	Capital increase by retained earnings Capital surplus	310,640 37,370	None	Tai-Cai-Zheng- (1) No. 42525 on May 16, 2000
07/2001	10	390,000	3,900,000	223,672	2,236,722	Capital increase by retained earnings	393,903	None	Tai-Cai-Zheng- (1) No. 140400 on June 26, 2001
08/2002.	10	390,000	3,900,000	237,382	2,373,820	Capital increase by retained earnings	137,098	None	Tai-Cai-Zheng- (1) No. 139597 on July 16
08/2003	10	390,000	3,900,000	267,823	2,678,230	Capital increase by retained earnings	304,407	None	Tai-Cai-Zheng- (1) No. 132113 on July 17
01/2004	10	390,000	3,900,000	268,626	2,686,263	Conversion of convertible bonds	8,036	None	MOEA No. 09301010410 on January 19
04/2004	10	390,000	3,900,000	285,946	2,859,462	Conversion of convertible bonds	173,199	None	MOEA No. 09301068910 on April 27
07/2004	10	390,000	3,900,000	286,743	2,867,426	Conversion of convertible bonds	7,964	None	MOEA No. 9301133050 on July 29

Month/Year	Issue Price (Per Share)	Authorized capital		Paid-in capital		Remarks			
		Shares	Amount	Quantity	Amount	Sources of capital		Capital increase by assets other than cash	Other
09/2004	10	390,000	3,900,000	319,603	3,196,028	Conversion of convertible bonds Capital increase by retained earnings	29,346 299,256	None	MOEA No. 09301175420 on September 21 Tai-Cai-Zheng- (1) No. 132638 on July 21
01/2005	10	390,000	3,900,000	325,028	3,250,279	Conversion of convertible bonds	54,251	None	MOEA No. 09401010480 on January 18
05/2005	10	390,000	3,900,000	327,425	3,274,246	Conversion of convertible bonds	23,967	None	MOEA No. 09401075860 on May 2
07/2005	10	390,000	3,900,000	327,631	3,276,311	Conversion of convertible bonds	2,065	None	MOEA No. 09401132870 on July 14
09/2005	10	490,000	4,900,000	366,810	3,668,102	Capital increase by retained earnings	391,791	None	FSC(1) No. 0940127168 on July 6
10/2005	10	490,000	4,900,000	370,632	3,706,325	Conversion of convertible bonds	38,223	None	MOEA No. 09401206040 on October 17
01/2006	10	490,000	4,900,000	372,132	3,721,325	Conversion of convertible bonds	15,000	None	MOEA No. 09501008350 on January 16
04/2006	10	490,000	4,900,000	372,193	3,721,927	Conversion of convertible bonds	602	None	MOEA No. 09501066890 on April 20
07/2006	10	490,000	4,900,000	372,475	3,724,751	Conversion of convertible bonds	2,824	None	MOEA No. 09501148210 on July 17
09/2006	10	490,000	4,900,000	421,246	4,212,459	Capital increase by retained earnings	487,708	None	FSC(1) No. 0950129104 on July 7
10/2006	10	490,000	4,900,000	421,553	4,215,530	Conversion of convertible bonds	3,071	None	MOEA No. 09501233690 on October 17
01/2007	10	490,000	4,900,000	425,099	4,250,989	Conversion of convertible bonds	35,459	None	MOEA No. 09601010340 on January 16
09/2007	10	600,000	6,000,000	474,230	4,742,303	Capital increase by retained earnings	491,314	None	FSC(1) No. 0960037711 on July 19
09/2008	10	600,000	6,000,000	519,556	5,195,556	Capital increase by retained earnings	453,253	None	FSC(1) No. 0970037456 on July 24
09/2009	10	600,000	6,000,000	540,338	5,403,379	Capital increase by retained earnings	207,822	None	FSC(Fa) No. 0980037015 on July 23
04/2010	10	600,000	6,000,000	541,103	5,411,029	Exercise of employee stock option	7,650	None	MOEA No. 09901075700 on April 26
09/2010	10	600,000	6,000,000	541,235	5,412,349	Exercise of employee stock option	1,320	None	MOEA No. 09901207440 on September 14

Month/Year	Issue Price (Per Share)	Authorized capital		Paid-in capital		Remarks			
		Shares	Amount	Quantity	Amount	Sources of capital		Capital increase by assets other than cash	Other
09/2010	10	600,000	6,000,000	552,057	5,520,569	Capital increase by retained earnings	108,221	None	FSC(Fa) No. 0990038283 on July 22
11/2010	10	600,000	6,000,000	552,888	5,528,879	Exercise of employee stock option	8,310	None	MOEA No. 09901256230 on November 16
04/2011	10	600,000	6,000,000	553,538	5,535,379	Exercise of employee stock option	6,500	None	MOEA No. 10001073230 on April 14
04/2012	10	600,000	6,000,000	554,038	5,540,379	Exercise of employee stock option	5,000	None	MOEA No. 10101065010 on April 13
04/2013	10	600,000	6,000,000	554,073	5,540,729	Exercise of employee stock option	350	None	MOEA No. 10201066700 on April 12
05/2013	10	600,000	6,000,000	554,125	5,541,249	Exercise of employee stock option	520	None	MOEA No. 10201088280 on May 13
01/2014	10	600,000	6,000,000	568,846	5,688,459	Exercise of employee stock option	147,210	None	MOEA No. 10301007440 on January 15

As of March 29, 2024; Unit: shares

Type of shares	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Ordinary share	568,845,921	131,154,079	700,000,000	Shares of listed company

Note: Greatek did not offer and issue securities by shelf registration.

II. Shareholder Structure

As of March 29, 2024

Item \ Structure	Government Agencies	Financial institutions	Other Corporate Shareholders	Domestic Natural Persons	Foreign Institutions and Natural Persons	Total
Number of shareholders	7	17	155	36,557	210	36,946
Shares held	7,043,629	11,988,361	285,714,773	179,510,149	84,589,009	568,845,921
Shareholding ratio (%)	1.24	2.11	50.23	31.56	14.87	100.00

Note: The Company does not have shares held by investors from Mainland China.

III. Distribution of Ordinary Shares

As of March 29, 2024

Shareholding range	Number of shareholders	Shares held (in number of shares)	Shareholding ratio (%)
1 - 999	9,063	1,655,386	0.29%
1,000 - 5,000	22,440	44,743,651	7.87%
5,001 - 10,000	2,828	21,848,610	3.84%
10,001 - 15,000	844	10,697,356	1.88%
15,001 - 20,000	488	8,936,117	1.57%
20,001 - 30,000	434	10,900,058	1.92%
30,001 - 40,000	206	7,230,307	1.27%
40,001 - 50,000	147	6,727,564	1.18%
50,001 - 100,000	226	16,122,610	2.83%
100,001 - 200,000	117	16,978,541	2.98%
200,001 - 400,000	51	14,408,307	2.53%
400,001 - 600,000	26	12,493,576	2.20%
600,001 - 800,000	18	12,477,221	2.19%
800,001 - 1,000,000	11	9,950,396	1.75%
1,000,001 or more	47	373,676,221	65.70%
Total	36,946	568,845,921	100%

IV. List of Substantial Shareholders

As of March 29, 2024

Name of substantial shareholder	Shareholding	Shares held (in number of shares)	Shareholding ratio (%)
Powertech Technology Inc.		244,064,379	42.91%
Chang Gung Medical Foundation		12,592,000	2.21%
Su-Yu Wu		6,500,000	1.14%
Chang Wah Electromaterials Inc.		6,078,000	1.07%
Hung-Wei Venture Capital Co., Ltd.		5,823,602	1.02%
Chiu-Hsia Yang		5,731,763	1.01%
Dedicated investment account from Norges Bank in the custody of CitiBank Taiwan		5,334,000	0.94%
Chuang-Hsien Chueh		4,444,668	0.78%
Weltrend Semiconductor, Inc.		4,385,000	0.77%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		4,086,961	0.72%

V. Information on Market Value, Net Value, Earnings, and Dividends Per Share

Item \ Year		2022	2022	As of March 31, 2023 (Note 8)
Market value per share (Note 1)	Highest	78.10	65.30	67.10
	Lowest	44.65	47.70	57.50
	Average	62.44	56.50	62.73
Net worth per share (Note 2)	Before distribution	36.76	37.85	-
	After distribution	32.22	-	-
Earnings per share (EPS)	Weighted average number of shares (in thousand shares)	568,846	568,846	-
	Earnings per share, EPS (Note 3)	5.55	3.51	-
Dividends per share	Cash dividends	3.70	2.50	-
	Share dividends	Dividends from retained earnings	-	-
		Dividends from capital surplus	-	-
	Accumulated undistributed dividends (Note 4)		-	-
Return on Investment Analysis	Price-to-earnings ratio (Note 5)		11.25	16.10
	Price-to-dividends ratio (Note 6)		16.88	22.60
	Dividend yield (Note 7)		5.93%	4.42%

* In the case of shares distribution from retained earnings or capital surplus, please also disclose the information about the market value and cash dividend adjusted retroactively based on the quantity of shares distributed.

Note 1: Please identify the highest market value and the lowest market value of the ordinary shares in each year, and calculate the average market price for each year based on the trading value and volume for each year.

Note 2: Please apply the quantity of shares already issued at the end of the year and identify the status of distribution according to the resolution made by the Shareholders' Meeting held in the following year.

Note 3: If it is necessary to make adjustment retroactively due to share dividends, please identify the EPS before and after the adjustment.

Note 4: If the terms and conditions under which the equity securities are issued provide that the stock dividend retained in the year may be accumulated until the year in which there are allocable earnings available, please disclose the retained stock dividend accumulated until the then year.

Note 5: Price-to-Earnings Ratio=Average Closing Price Per Share in Current Year/Earnings Per Share.

Note 6: Price-to-Dividends Ratio=Average Closing Price Per Share in current year/Cash Dividend Per Share.

Note 7: Dividend Yield=Cash Dividend Per Share/Average Closing Price Per Share in current year.

Note 8: Please identify the net value per share and EPS available in the latest quarterly financial information audited (reviewed) by the independent auditor before the date of publication of the annual report, and the information available until the date of publication of the Annual Report in the Other sections.

VI. Dividend Policy and Implementation Status

(I) Dividend policy in the Articles of Incorporation:

The Company's dividend policy is based on a balanced dividends principle in line with the Articles of Incorporation. Fitting with the Company's long-term development plan, the overall business environment, and the industry growth status, the Company must take into account its capital needs and expansions as well as the Shareholders' rights and interests. Considering all circumstances, a mix of cash and share dividends will be distributed, in which the cash dividend ratio shall be no less than 30% of the total dividends to be distributed.

Pursuant to our dividend policy, dividend distribution accounts for 50% to 80% of the current year's net income. In 2024, a resolution of a cash dividend distribution that accounts for 71.2% of 2023's net income is proposed for approval at the Shareholders' Meeting.

(II) Appropriation of dividends proposed at the Shareholders' Meeting:

1. On February 23, 2024, the Board of Directors has approved of cash dividend of NT\$1,422,114,803, based on the current 568,845,921 shares outstanding, each share will be distributed with NT\$2.5.
 2. If the subsequent amendment from competent authority, repurchasing of Greatek's shares, transfer and retirement of treasury stocks, issuance of new common shares for cash, convertible bonds, or other factors that affect the number of shares in circulation take place, leading to a change of shareholders' distribution rate, the Board of Directors will be authorized to adjust it accordingly.
 3. Upon resolution from the Shareholders' Meeting, the cash dividend is calculated based on the shares held by the shareholders recorded in the register of shareholders on the ex-dividend record date and is rounded down to the nearest dollar based on the distribution ratio. The fractional amounts are aggregated and recognized in Greatek's other income.
- (III) Any expected material changes to the dividend policy should be further explained. None.

VII. Effect of allocation of dividends proposed at the Shareholders' Meeting on the operational performance of the Company and the Earnings Per Share:

The proposal regarding earnings distribution, depending resolution from the Shareholders' Meeting, is to distribute NT\$2.5 of cash dividend per share. No share dividend will be issued.

VIII Employee and Directors' Remunerations:

- (I) Proportion or scope of employee and Directors' remuneration as stated in the Company's Articles of Incorporation:
Pursuant to provisions in Article 24 of the Articles of Incorporation: The Company shall appropriate 9% to 15% of the net income before tax of the fiscal year as employees' compensations and no more than 3% as remuneration for Directors.
In the event that the Company has accumulated losses (including adjustment of unappropriated earnings), profit shall first be used to offset accumulated losses. The above remuneration to the employees may be allotted in cash or shares, eligible personnel includes employees at subsidiaries that meet the requirement by the Board. The above remuneration to the Directors can only be in cash.
The preceding two paragraphs shall be determined by the resolution of Board of Directors and reported to the Shareholders' Meeting.
Greatek elected three Independent Directors in the Shareholders' Meeting on May 29, 2018 and established an Audit Committee to take on the duties of Supervisors.
- (II) Basis used for employee and Directors' remuneration for the year, basis used for calculating the number of shares distributed as employee remunerations, and the accounting treatment in case of variances between the actual distribution and the estimates:
The basis of estimation for the employee and Directors' remunerations lies in Article 24 of the Articles of Incorporation. If there is a change in the amounts after the date of publication of the financial statements, the variances shall be treated as a change in the accounting estimate in the following year.
- (III) Information on any approval by the Board of Directors regarding distribution of remuneration:
1. Employee remunerations will be distributed in cash or shares, and Directors' remunerations in cash. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the treatment shall be disclosed:
On February 23, 2024, the Board of Directors has approved of distribution of employees and Directors' remunerations for 2023

Item	Amount	Ratio of distribution based on Articles of Incorporation
Employee cash remuneration	293,309,314	10%
Directors cash remuneration	58,661,863	2%

There is no deviation found between the Board of Directors' proposed distribution of remunerations for employees and Directors and the amounts recognized in the 2023 financial statements.

2. The amount of any employee remuneration distributed in shares, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation:

Greatek does not distribute share dividends to employees in 2023.

- (IV) The actual distribution of employee and Directors' remuneration in the previous year (including the number, amount and share price of shares appropriated), the deviation between the actual allocation and the estimated figures, if any, and cause and treatment thereof:

On February 24, 2023, the Board of Directors has approved of, and it was announced at the Shareholders' Meeting on May 30, 2023, that NT\$80,711,070 and NT\$429,977,490 would be distributed as Directors' and employees' remunerations, respectively. There was no discrepancy found between the actual distributions and the amounts recognized in the 2022 financial statements.

IX. Share repurchases:

None.

Chapter 2 Corporate Bonds:

None.

Chapter 3 Preferred Shares:

None.

Chapter 4 Overseas Depository Receipts:

None.

Chapter 5 Employee Stock Options:

None.

Chapter 6 Restricted Employee Shares:

None.

Chapter 7 Status of New Shares Issuance in Connection with Mergers and Acquisitions

None.

Chapter 8 Implementation of Capital Utilization Plan

None.

Operational Highlights

Chapter 1 Business Activities

I. Scope of Business

(I) Primary business and services

1. The manufacturing, testing, packaging, and trading business of all kinds of integrated circuit (IC).
2. The design of the preceding business.
3. Bidding and quotation business of products from domestic and foreign IC manufacturers.
4. Import and export business related to IC products.
5. F401021 Telecommunications Control RF Equipment Input Industry
6. In addition to the approved scope of business, the Company may engage in all businesses except those which are otherwise prohibited or restricted by law.

(II) Ratio of major products/services

In Year 2023		Unit: NT\$ thousands
Item	Net operating revenue	Revenue Proportion
Packaging	11,704,196	86.3%
Testing	1,865,880	13.7%
Total	13,570,076	100.0%

(III) The Company's current products (services):

Currently, the Company's major products (services) can be divided into packaging and testing services:

1. Packaging products (services) include:

- (1) Traditional Lead Frame Packaging (P-DIP, TO, SOT, SO, SSOP, TSSOP, QFP/LQFP, and TQFP)
- (2) Quad Flat No-Lead Packaging (QFN)
- (3) Bumping
- (4) Stack Die and Side by Side
- (5) Ball Grid Array Packaging and Land Grid Array Packaging (BGA,LGA)
- (6) Redistribution Layer (RDL)
- (7) Wafer Level Chip Scale Packaging (WLCSP)
- (8) Flip Chip Packaging QFN, SOP, SOT.
- (9) IC Molded Interconnected Substrate (MIS)
- (10) System in a Package (SiP).

2. Testing services include wafer testing and finished products testing.

(IV) New products and services in development:

Based on developments and applications of wireless network communications, smart appliances, mobile products, wearable devices which emerged in recent years, the Internet of Things (IoT) and cloud computing and storage, it is also necessary to factor in lightweight, thinness, and low-cost into consideration when developing the Wafer Chip Scale Packaging for communications, controllers, power management, RAM, and peripheral products. The Company plans to develop the following new products (services) in response to overall industry developments and demand from the applications market:

- (1) High Pin Count BGA with a PKG size 14x14 or above.
- (2) MIS-2 layer Flip Chip and Wire Bond type products.
- (3) Hybrid / MIS Package products.

- (4) Third generation semiconductor products.
- (5) PMIC products.
- (6) 12" FOW products.
- (7) Thin Package BGA (0.6mm PKG thickness).
- (8) QFN PKG $\geq 14 \times 14$ mm.
- (9) FCCSP/BGA automotive products.
- (10) FCCSP products that use 5nm wafer.
- (11) 2.5mil Cu Wire ability.
- (12) SIP BGA/ LGA products.
- (13) SIC products.
- (14) Tri-Temp Test ability.

II. Industry Overview:

(I) The Semiconductor Market:

1. 2023 global semiconductor sales data:

Based on statistical data from WSTS, the annual global sales of semiconductor industry reached US\$526.8 billion, showing a 8.2% decline from 2022;

A total of 914.7 billion units were sold, showing a 16.6% decline from 2022;

and ASP was US\$0.576, showing a 10.1% growth from 2022.

Among them:

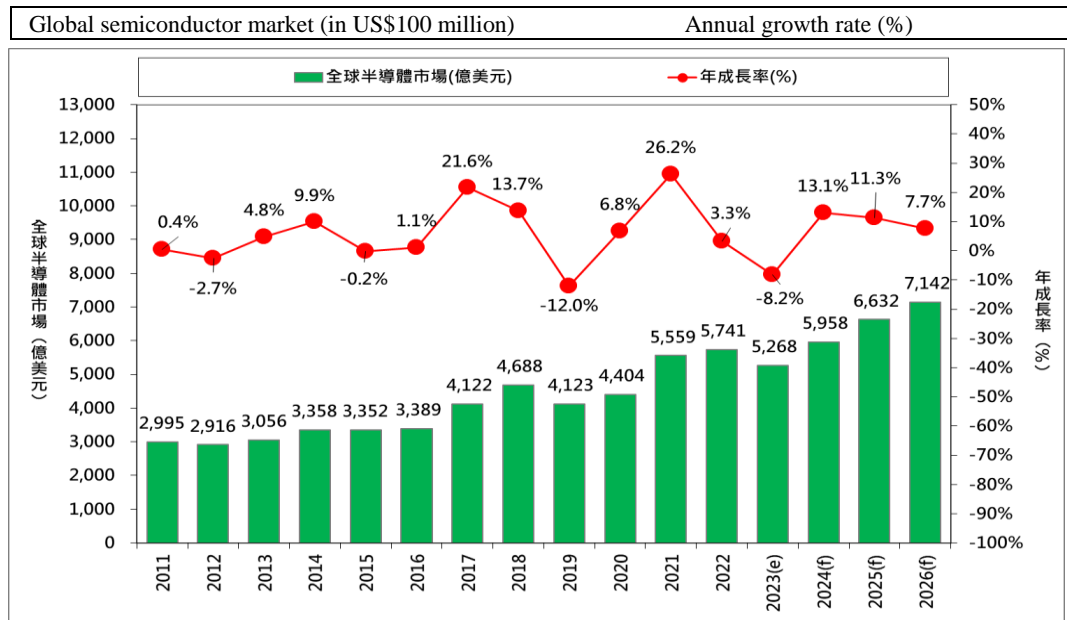
The US semiconductor market sales reached US\$133.7 billion, decline 5.3% YoY;

Japan's semiconductor market sales reached US\$46.7 billion, decline 3.1% YoY;

The European semiconductor market sales reached US\$56.0 billion, grew 4.0% YoY;

and Asia's semiconductor market sales reached US\$290.4 billion, decline 8.2% YoY;

Global semiconductor market sales



Source: World Semiconductor Trade Statistics (WSTS) and Industry, Science & Technology International Strategy Center (ISTI), Industrial Technology Research Institute (ITRI) (February 2024)

2. Global semiconductor market trends in 2024

According to predictions from major market research or research institutions, the global semiconductor market is expected to resume its growth in 2024.

According to estimates from the World Semiconductor Trade Statistics (WSTS) and Gartner, the global semiconductor market is projected to grow by 13.1% and 16.8% in 2024. The International Data Corporation (IDC) is even more optimistic, anticipating an annual growth rate of 20%.

3. Taiwan's semiconductor sales data in 2023

According to statistical data from the Industry, Science & Technology International Strategy Center (ISTI), Industrial Technology Research Institute (ITRI), the output value of Taiwan's IC industry had reached NT\$4.3428 trillion (US\$139.2 billion) in 2023, showing a 10.2% decline from 2022. Among them:
The output of IC design industry had reached NT\$1.0965 trillion (US\$35.1 billion), showing a 11.0% decline YoY;
the IC manufacturing industry had reached NT\$2.6626 trillion (US\$85.3 billion), showing a 8.8% decline YoY;
the IC packaging industry had reached NT\$393.1 billion (US\$12.6 billion), showing a 15.6% decline YoY;
and the IC testing industry had reached NT\$190.6 billion (US\$6.1 billion), indicating an 12.8% decline YoY.

The exchange rate of the New Taiwan Dollar (NTD) to the US Dollar is set at 31.2.

● Statistical results of Taiwan's IC industry output value in 2023

in NT\$100 million	23Q1	QoQ %	YoY %	23Q2	QoQ %	YoY %	23Q3	QoQ %	YoY %	23Q4	QoQ %	YoY %	2023	YoY %	24Q1 (e)	QoQ %	YoY %
IC industry output value	10,084	-15.8%	-13.0%	10,150	0.7%	-18.0%	11,161	10.0%	-10.2%	12,033	7.8%	0.5%	43,428	-10.2%	11,409	-5.2%	13.1%
IC design industry	2,400	-7.7%	-27.3%	2,685	11.9%	-22.2%	2,880	7.3%	-3.0%	3,000	4.2%	15.4%	10,965	-11.0%	2,845	-5.2%	18.5%
IC manufacturing industry	6,279	-18.4%	-5.8%	6,075	-3.2%	-15.6%	6,756	11.2%	-11.6%	7,516	11.2%	-2.4%	26,626	-8.8%	7,077	-5.8%	12.7%
Wafer foundry	5,873	-18.8%	-1.6%	5,647	-3.8%	-13.3%	6,316	11.8%	-11.4%	7,089	12.2%	-2.0%	24,925	-7.2%	6,644	-6.3%	13.1%
Memory and other manufacturing	406	-12.7%	-41.8%	428	5.4%	-37.3%	440	2.8%	-13.7%	427	-3.0%	-8.2%	1,701	-27.8%	433	1.4%	6.7%
IC packaging industry	940	-17.5%	-14.5%	927	-1.4%	-19.4%	1,035	11.7%	-18.5%	1,029	-0.6%	-9.7%	3,931	-15.6%	1,000	-2.8%	6.4%
IC testing industry	465	-12.6%	-11.4%	463	-0.4%	-19.5%	490	5.8%	-11.7%	488	-0.4%	-8.3%	1,906	-12.8%	487	-0.2%	4.7%
IC product output value	2,806	-8.5%	-29.8%	3,113	10.9%	-24.7%	3,320	6.6%	-4.6%	3,427	3.2%	11.8%	12,666	-13.7%	3,278	-4.3%	16.8%
Global semiconductor market (in US\$100 million) & Growth rate (%)	-	-	-	-	-	-	-	-	-	-	-	-	5,268	-8.2%	-	-	-

Source: Taiwan Semiconductor Industry Association (TSIA) and Industry, Science & Technology International Strategy Center (ISTI), Industrial Technology Research Institute (ITRI) (February 2024)

4. Taiwan's semiconductor industry prospects for 2024

Taiwan Semiconductor Industry Association (TSIA) and the ISTI at ITRI have predicted that Taiwan's IC industry output value will reach NT\$5.0116 trillion in 2024, showing a 15.4% increase over 2023. Among them:

The output of IC design industry is expected to reach NT\$1.257 trillion, increase 14.6% YoY;

The output of IC manufacturing industry is expected to reach NT\$3.1038 trillion, increase 16.6% YoY.

The output of IC packaging industry is expected to reach NT\$436.2 billion, increase 11% YoY;

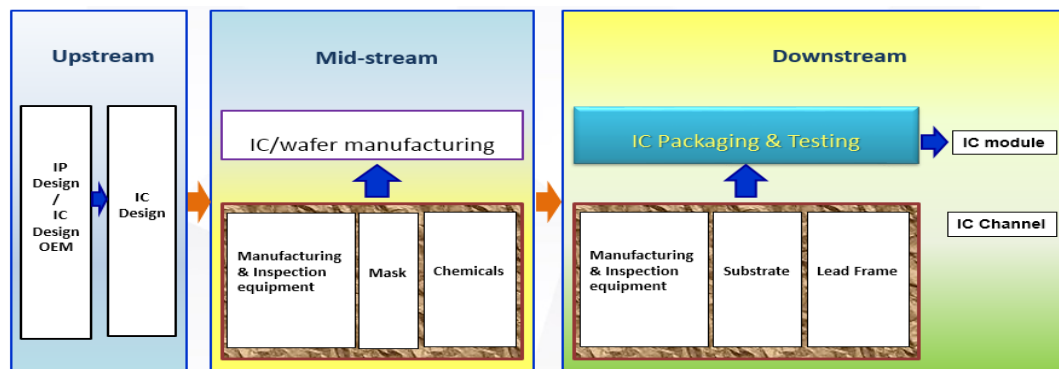
and the output of IC testing industry is expected to reach NT\$214.6 billion, increase 12.6% YoY.

●Taiwan's IC industry output value from 2020 to 2024

in NT\$100 million	2020	2020 YoY%	2021	2021 YoY%	2022	2022 YoY%	2023	2023 YoY%	2024 (e)	2024 (e) YoY%
IC industry output value	32,222	20.9%	40,820	26.7%	48,370	18.5%	43,428	-10.2%	50,116	15.4%
IC design industry	8,529	23.1%	12,147	42.4%	12,320	1.4%	10,965	-11.0%	12,570	14.6%
IC manufacturing industry	18,203	23.7%	22,289	22.4%	29,203	31.0%	26,626	-8.8%	31,038	16.6%
Wafer foundry	16,297	2.1%	19,410	19.1%	26,847	38.3%	24,925	-7.2%	29,060	16.6%
Memory and other manufacturing	1,906	19.4%	2,879	51.0%	2,356	-18.2%	1,701	-27.8%	1,978	16.3%
IC packaging industry	3,775	9.0%	4,354	15.3%	4,660	7.0%	3,931	-15.6%	4,362	11.0%
IC testing industry	1,715	11.1%	2,030	18.4%	2,187	7.7%	1,906	-12.8%	2,146	12.6%
IC product output value	10,435	22.4%	15,026	44.0%	14,676	-2.3%	12,666	-10.2%	14,548	14.9%
Global semiconductor market (in US\$100 million) & Growth rate (%)	4,404	6.8%	5,559	26.2%	5,741	3.3%	5,268	-8.2%	5,958	13.1%

Source: TSIA; Science & Technology International Strategy Center (ISTI), Industrial Technology Research Institute (ITRI) (February 2024) Note: (e) indicates estimate.

5. Industry upstream, midstream, and downstream correlations within the semiconductor industry supply chain



Source: <http://ic.gretai.org.tw/introduce.php?ic=D000>, Greatek

(II) Product development trends and competition

The global semiconductor industry has been rapidly changing and evolving in recent years. New applications are continuously being developed, and new products are continuously launched to gain new ground. In order to retain existing market shares, various processes and technologies are utilized to lower the costs of existing products. As the sizes of electronic products become even smaller, the development trend for IC packaging models tend to opt for surface adhesion. During this evolutionary process, it has also become mainstream practices for lead frames to become optimally short bond wires, multiple leads, thin profile and custom-made.

1. IC packaging

Based on the types of integrated circuit packaging as classified by Taiwan Semiconductor Industry Association (TSIA), the growth in traditional QFP, DIP, SOP/SOJ, PLCC, and TO have more or less slowed, while the QFN/Leadframe-type continues to benefit from end-user mobile devices and will continue to grow at an accelerated pace for the next couple of years. As the electronic system products are becoming lighter, thinner, energy-saving, affordable, and faster, the packaging models with the best development opportunities are: COLQFN, FCQFN, Multiple Row QFN, FIWLP, FOWLP, FCBGA, TSV, and 3D IC.

Additionally, the trend of integration between logic IC and memory IC has also become more apparent.

2. IC testing

In terms of testing, the long-term goal constantly pursued by testing providers is to test the most number of products in the shortest time frame by using the most suitable testing equipment. The development of multi-die testing is a crucial way to enhance testing productivity while effectively reducing costs. Also, testing providers can save manpower and time by coordinating with customers' one-stop shop demand. The provision of turnkey service is another fairly important competitive niche. In line with the development of lighter and smaller IC packages, the provision of high-speed, high lead count and highly reliable automated IC testing equipment can reduce human errors, leading to more satisfactory quality and lead time services. This is the long-term objective for IC testing.

3. Competition

Greatek's packaging industry competitors include ASE, SPIL, OSE, and Lingsen, while domestic testing competitors include Sigurd, KYEC, and ChipMOS. There are also a number of competitors from China, including JCET, Tianshui Huatian, Nantong Fujitsu, and UNISEM, who have competed for orders from domestic and foreign customers with low pricing strategy. In addition, the Chinese government is encouraging its semiconductor industry through offering investment incentives such as lease and tax subsidies, helping its wafer OEM, IC design, and packaging/testing industries to penetrate the market with low prices and threatening the existing equilibrium of industry chain.

III. Technology and R&D Overview:

(I) Technology and R&D Overview

1. Strategies:

Lower-end packaging and testing service providers have gradually relocated to China or other low cost regions. It is inevitable for Taiwan's packaging and testing providers to move toward more advanced product technologies in the future. Higher frame count, fine pitch, and multi-die packaging will be the strategy and target for our packaging/testing R&D.

2. Expenses:

The R&D expense in 2023 was approximately NT\$248 million, accounting for 1.8% of the revenues. R&D expense in 2024 will maintain their 2023 level .

(II) Technologies or products developed in the most recent fiscal year

Packaging product development is based on the demand in the consumer electronics market. The trend toward lighter, thinner, and smaller products is making producers scrambling to miniaturize electronic components, resulting in products such as QFN, DFN, multi-array QFN, WLP, and CSP and more. Concurrently, packaging/testing providers have also achieved waste reduction, green, and pollution-free standards under the environmental protection trends and requests.

Greatek has developed the following products and technologies in recent years:

1. The development and introduction of such lighter, thinner, and smaller electronic component packaging products as BGA/LGA, Flip Chip, and more.
2. Actively develop automotive, Netcom and Industrial use IC products.
3. Introduction and production of green and eco-friendly materials; new materials were developed based on EU's Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive.
4. Introduction of new equipment, development of new technologies, and development and introduction of design for high-density, low-cost carriers under

the principle of reducing packaging material costs.

(III) Future R&D strategies and objectives

1. R&D strategies and objectives

In view of the increasing number of competitors in the current IC packaging market, only those who can continuously make accurate R&D investments may survive in the market. Therefore, Greatek has always been focused on R&D investments and we are gradually increasing the number of relevant R&D personnel, leading to positive R&D results and performance. Greatek's key developments in 2024 include: to enhance the packaging ability for third generation semiconductor materials (GaN) product manufacturing capability : High thermal PKG (Epoxy/ 2.0mil Cu) 、 to develop Tri-Temp Test capability, to develop 2.5mil Cu Wire 、 to develop Thin Package BGA (0.6mm PKG thickness) and to develop QFN PKG $\geq 14 \times 14$ mm products. Greatek will stay on top of market developments and demand, and work in line with customers' new product and technical developments so as to provide satisfactory services to our customers.

2. Description of sources of major technologies

Presently, the development of packaging technologies has entered into a highly competitive phase with countless number of service providers and technologies. CSP alone has as many as 50 methods and specifications that have not been standardized. Each IC manufacturer has a different design; hence, the source of technology is based on the acquisition of core technologies rather than application technologies. Greatek spares no effort in obtaining basic technologies, including circuit and electrical analysis, heat flow analysis, substrate circuit layout, and stress analysis, from ITRI and academic circles, and relevant equipment manufacturers. We also dispatch personnel on overseas visits to learn technologies and to participate in seminars via various collaboration opportunities and strategic alliances. Greatek sets strategic products in each year based on developments in product trends. Besides, we also form partnerships or technical collaborations with renowned domestic and foreign vendors and research institutions to acquire advanced technologies.

IV. Short and Long-term Business Development Plans:

(I) Long-term R&D (2-to-3-year projects)

Greatek's long-term strategic product is focused on integrating bumping technology with multi-die packaging. We will strive to develop lighter and smaller devices, and then coordinate with system vendors to develop SiP with reduced costs and high performance. We will introduce advanced technologies, expand market shares, and increase profitability under the ongoing trend toward lightweight and smaller sized products.

(II) Short-term R&D (1-to-2-year projects)

Currently, Greatek's short-term strategic products are focused on lead frame packaging with copper bonding wire and silver bonding wire technologies, as well as WLCSP packaging, testing, slicing, and winding. To meet customers' new product needs, we will also develop new processes for multi-component packaging, as well as the component testing capacity for high-speed, high-frequency, and mixed-signal components on high-end testing platforms. These efforts will continue to drive our turn-key operating model and help to create opportunities in the mass production market.

Chapter 2 Market and Industry Overview

I. Market Analysis

(I) Sales region of major products

In 2023, most of Greatek's packaging and testing OEM customers are from the domestic IC design industry, who account for approximately 61.21%, while exports account for 38.79%. The Asia accounted for 18.86% of export customers, followed by Americas with 11.64%, and Europe with 8.29%.

(II) Market share

In 2023, Taiwan's IC packaging and testing industry's output value has reached NT\$583.7 billion, representing a 14.75% decline over 2022. Greatek's 2023 revenues reached NT\$13.57 billion, with a market share of 2.32%.

(III) Future market demand and supply and growth potential

Looking ahead to the IC packaging and testing industry in 2024, the demand for high performance computing driven by AI will drive the development of advanced packaging. The related companies will focus more on enhancing deployment of heterogeneous integrated advanced packaging capacity. Additionally, due to the resumption of the demand for terminal electronic consumption, the production value of the IC packaging and testing industry is expected to rise quarterly. Taiwan Semiconductor Industry Association (TSIA) and Industry, Science and Technology International Strategy Center have estimated that the production value of Taiwan's IC packaging and testing industry will reach NT\$650.8 billion in 2024, increasing by 11.5% compared to 2023.

In the first quarter of 2024, Greatek expects to reach its operational low point, followed by a recovery in growth. The rapid development of AI applications, including those for mobile phones and PCs, is driving upgrades in electronic products. Demand for related products is expected to gradually increase, and with the trend of supply chain shifts, the proportion of orders from foreign customers is steadily rising. Taiwanese IC design companies dedicating themselves to automotive electronics development are also expected to help boost the company's revenue.

(IV) Competitive niche

On top of continuing to focus on Lead Frame Packaging technologies and catering to the expanded needs of domestic and foreign customers, Greatek will also actively compete for customers home and abroad, including IDM and Fabless ones. We will develop new products and technologies related to Bumping, and gradually introduce new processes for Wafer Level Packaging (WLP) and Packaging for BGA, LGA, Flip Chip, fan-in WLP, and SiP to meet the new product process requirements of domestic and foreign customers. In terms of testing, we will continue to cater to the domestic testing needs on existing testing platforms, and continue to introduce High-End Testing machines to provide testing services for Radio Frequency (RF) applications and mixing signal devices. Moreover, we will also actively introduce Bumping Wafer Testing and Strip Testing. Greatek will also continue to integrate our R&D department, recruit high-performing talents and technical management personnel. In the future, we will provide new packaging technologies and testing functions on a timely basis. Turn-key is Greatek's competitive advantage. Currently, more than half of our monthly output are turn-key orders. This procedure is a value-added service that is fast, efficient, and flexible, helping customers to achieve faster response and market launch.

(V) Favorable and unfavorable future development factors and countermeasures

1. Favorable factors

- (1) Greatek has complete product lines and continue to expand capacity in order to reach economies of scale.

After years of development, we have achieved a comprehensive product mix with complete product lines, and we are continuing to expand our production

capacity, enabling a fair share and position at the market. We can satisfy all customer demand, and have reached economies of scale, helping us to gain competitive grounds.

(2) Provision of turn-key services

On top of IC packaging, Greatek also provides wafer testing, finished product testing, and tapping & reel services to meet the customers' needs for one stop service. By providing turn-key processes, we can attract more customers.

(3) Successful product and process R&D results enabled Greatek to provide more comprehensive services

Greatek has always been committed to researching and developing new products and processes to respond to customer needs and market changes. We actively develop new products and technologies and are gradually introducing new processes, such as Flip Chip Packaging (BGA, LGA, and Flip Chip), and fan-in WLP and DPS packages, enabling us to cater to the product development needs from domestic and foreign customers.

(4) Increased number of suppliers and expanded procurement scale leading to enhanced competitiveness

We have been continuing to expand our production capacity and scale in recent years to achieve even more economies of scale, thereby reducing material costs. In addition, we are partnering with suppliers to integrate our procurement capacity and to realize funding and management synergies, thereby fully increasing our industry competitiveness.

(5) Approaching customers, building a close relationship, providing a timely and satisfactory service to customers.

Most of the semiconductor manufacturing and design companies are located in northern Taiwan, especially in Hsinchu Science Park. Greatek is located in Zhunan which is in close proximity to northern Taiwan and a mere 20-minute drive from Hsinchu Science Park. This enables us to achieve excellent and timely services whether in terms of communicating with customers, technical exchange, or product delivery. In turn, we established close customer relations. By providing fast and satisfactory services, we will be better positioned to acquire more customers.

(6) Solid management team and technical team enabling Greatek to counter future expansion needs and challenges

After years of experience, Greatek has developed and formed a solid management team and technical team. We have built good management visions and consensus, good communications framework, operating system, and solid manufacturing and management technologies, enabling us to face and to respond to any future expansion need and challenge.

2. Unfavorable factors

(1) Low entry barrier to Traditional Lead Frame Packaging could lead to a large number of competitors and price wars

Countermeasures: Improve process and enhance the level of automation to increase productivity. Strengthen R&D capability and introduce new materials and seek for alternative materials and processes such as copper and silver bonding to reduce production costs. Continue to strengthen supplier management to achieve more competitive prices from concentrated procurement and improve competitiveness.

(2) Large packaging service providers get the lion's share of market share, posing significant market threat

Countermeasures: To continuously enhance competitive advantage to be on par with or even to exceed the strengths of large-scale

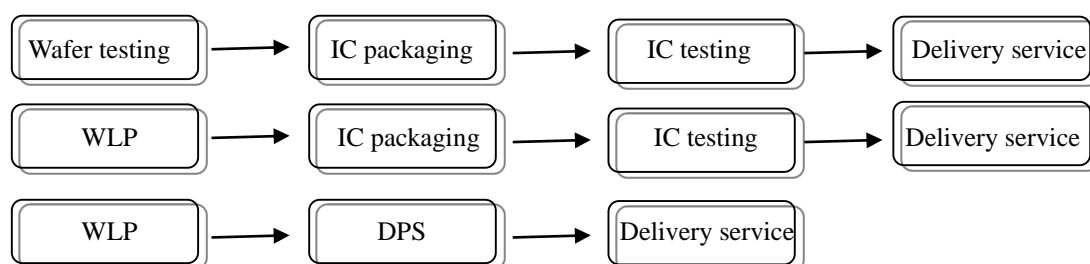
competitors and to overcome their threat. Moreover, Greatek can acquire new customers and new markets through niche products, thereby building and expanding customer trust and the basis of long-term partnership, thus creating new market opportunities. Additionally, we will also attract international customers to maintain annual business growth and to diversify the risk of sales concentration.

II. Major Applications and Processes of Major Products

1. Key applications of major products:

Major product	Key applications
Integrated Circuit (IC) Packaging and Testing Services	Packaged and tested IC are widely used in: computers, Internet, communications, and consumer electronics products; including laptop computers, tablets, smartphones, functional phones, wearable devices, smart appliances, set-top boxes, automotive electronics, Industrial control electronics, digital cameras, game consoles, the Internet of Things (IoT), and Data center and more.

2. Production process



III. Status of Supply of Primary Materials

The primary materials in IC package include Lead Frames, Epoxy Molding Compound (EMC), gold wire, Palladium Coated Copper wire (PCC), and silver paste, etc., and the most consumed of which is the Lead Frame. Approximately 30% of lead frame is purchased from domestic sources, while the rest comes from China, Malaysia, and Japan. EMC is purchased from domestic and Japan, while the gold wire comes from Singapore and Korea. PCC is purchased from the Philippines, Taiwan, and Korea, while silver paste is purchased from suppliers in Japan, China, USA and Korea.

Major suppliers:

Name of primary material	Main source of supply	Status of supply
Lead frame	Sinko (Japan); Advanced Assembly Materials International Ltd (China, Malaysia); Fusheng Electronics Corporation (Taiwan); MITSUI HIGH-TEC (TAIWAN) CO., LTD. (Taiwan); Chang Wah Electromaterials Inc. (Taiwan)	The supply of raw materials is stable.
Epoxy molding compound (EMC)	Chang Wah Electromaterials Inc. (Taiwan); Resonac International (Taiwan) Co., Ltd.. (Japan)	The supply of raw materials is stable.
Gold wire	TANAKA (Singapore); MK (Korea)	The supply of raw materials is stable.
Palladium coated copper wire (PCC)	Nippon Micrometal Corporation Philippines (Philippines); MK (Korea); TANAKA (Taiwan)	The supply of raw materials is stable.

Name of primary material	Main source of supply	Status of supply
Silver paste	Chang Wah Electromaterials Inc. (Japan); Ablestik (China) ; Henkel (USA 、 Korea) ; Resonac (Japan)	The supply of raw materials is stable.

IV. Name of Customer and Purchase (Sales) Amount and Ratio for Any Customer whose Order has Accounted for More than Ten Percent of Annual Sales (Purchases) in any of the Most Recent Two Years:

1. Information on major suppliers for the most recent two years

Unit: NT\$ thousands

Item	2022				2023			
	Name	Amount	Percentage to annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage to annual net purchases (%)	Relationship with the issuer
1	Company A	574,243	13.05	None	Company A	433,007	13.02	None
2	Company B	550,062	12.50	None	Company B	236,427	7.11	None
	Others	3,275,108	74.45	-	Others	2,656,029	79.87	-
	Net purchases	4,399,413	100.00	-	Net purchases	3,325,463	100.00	-

Note1: For suppliers that have provided at least 10% of the gross procurement in the most recent two years, the names, procurement amount, and percentage should be stated; provided that, suppliers that shall not be disclosed pursuant to contract terms, or individual non-affiliated parties shall be shown in codes.

Note2: Description of increase/decrease: No significant impact.

2. Information on major sales customers in the most recent two years

Unit: NT\$ thousands

Item	2022				2023			
	Name	Amount	Percentage to annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage to annual net sales (%)	Relationship with the issuer
	Others	15,950,309	100.00	-	Others	13,570,076	100.00	-
	Net sales	15,950,309	100.00	-	Net sales	13,570,076	100.00	-

Note1: For customers that have provided at least 10% of the total sales volume in the most recent two years, the names, procurement amount, and percentage should be stated; provided that, customers that shall not be disclosed pursuant to contract terms, or individual non-related parties may be shown in codes.

Note2: Description of increase/decrease: No significant impact.

V. Production Output in the Most Recent Two Years

Unit: thousand units; NT\$ thousands

Production output volume Major product (or department)	Year	2022			2023		
		Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
IC packaging		13,203,059	9,462,697	9,027,346	11,407,180	7,497,075	8,149,704
IC testing		8,477,960	5,870,428	1,701,541	7,085,679	4,189,983	1,501,692
Total		21,681,019	15,333,125	10,728,887	18,492,859	11,687,058	9,651,396

Note 1: Production capacity refers to production quantity in normal operation with the current production equipment after factoring in necessary down time and holidays.

Note 2: IC tests include wafer testing, package testing, and OEM testing, in which the unit of wafer test is 1,000 units.

VI. Sales Volume in the Most Recent Two Years

Unit: thousand units; NT\$ thousands

Production output volume Major product (or department)	Year	2022				2023			
		Domestic sales		Export sales		Domestic sales		Export sales	
		Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value
IC packaging		5,748,359	8,193,615	3,258,559	5,267,775	4,892,251	7,089,824	2,548,731	4,614,372
IC testing		3,871,705	1,569,666	1,998,486	919,253	2,915,564	1,215,867	1,274,312	650,013
Total		9,620,064	9,763,281	5,257,045	6,187,028	7,807,815	8,305,691	3,823,043	5,264,385

Chapter 3 Employee Status

Number of Employees for the Most Recent Two Fiscal Years and as of the Date of Publication of the Annual Report

Year		2022	2023	As of March 31, 2024
Number of employees	Direct employee	2,500	2,377	2,351
	Indirect employee	1,687	1,757	1,768
	Total	4,187	4,134	4,119
Average age		36.0	36.4	37.2
Average year of service		8.40	8.77	8.82
Distribution ratio of educational level %	Ph.D.	0	0	0
	Master's degree	5.2	5.9	6.1
	College/university degree	66.7	67.1	67.5
	Senior high school	19.4	18.8	18.4
	Below senior high school	8.7	8.2	8.0

Chapter 4. Environmental Expenditures

Total amount of losses (including compensations and violations against environmental laws found during results of environmental protection audits, for which the date of penalty, number of penalty letter, legal provisions that were violated, content of the violation, and content of penalties shall be disclosed)

caused by environment pollution, and current and future probable losses and countermeasures in the most recent year as of the publication date of the Annual Report; in case a reasonable estimate cannot be provided, the description of the fact that cannot be reasonably estimated shall be provided.

1. Total losses and penalties caused by environmental pollution in the most recent year and as of the date of publication of the Annual Report:

None.

2. Violations against environmental laws found during results of environmental protection

audits in the most recent year and as of the date of publication of the Annual Report:

Date of penalty	December 12, 2023
Penalized by	Environmental Protection Bureau, Miaoli County Government
Penalty Letter No.	Environmental Wastewater Letter No. 1120105768
Reason for penalty and legal basis	Legal basis: Subparagraphs 1 of Paragraph 1, Article 14 of the Water Pollution Control Act.
Facts violated	The content of the water pollution prevention and control certificate is inconsistent.
Content of penalty	A fine of NT\$60,000.
Improvement and preventive measures	Apply for change to water pollution prevention and control licenses.

3. Current and future probable losses and countermeasures:

Greatek has passed and received the ISO14001 2015 Environmental Management System Certification (This Certificate is valid from 2021/6 until 2024/6.) in 2018, and we will manage the pollutions and waste generated from production activities through this management system. We will strengthen legal compliance and practices of the pollution prevention equipment and waste recycling and reuse. To show our commitment to do more for the environment, the "Environmental Policy" has been formulated and serves as the highest guiding principle over environmental management.

Types of Environmental Expenditure	2021	2022	2023
Environmental expense (NT\$)	39,862,220	37,401,617	34,744,629
Pollution prevention equipment expense (NT\$)	3,790,411	4,426,490	4,989,968
Total (NT\$)	43,652,631	41,828,107	39,734,597

Chapter 5 Labor Relations

I. Describe the Company's employee welfare and benefit measures such as continuing education, training, retirement system and their implementations, and agreements with employers and maintenance of employee rights:

(I) Benefit measures

Greatek allocates employee benefit and welfare funds as stipulated by applicable laws, and was approved by competent authority to set up an Employee Welfare Committee, which oversees the handling of employee benefits. Relevant procedures are carried out in accordance with the "Organization Regulations on Employee Welfare Committee". Current key welfare measures include the following:

1. Pursuant to laws and regulations, Greatek provides: National Health Insurance (NHI), Labor Insurance, Allocations of Pension Reserve, and Allocations of Arrear Wage Payment Fund.
2. Greatek also provides: employee remunerations, free group insurance for employees and their spouses and families, employee canteen, employee food & beverage allowances, employee dormitories, convenience store, nursing rooms, childcare leaves, and paternity leaves and more.
3. Employee Welfare Committee organizes: holiday bonuses, subsidies for weddings/funerals/childbirth, employee discounts at specific stores, and various arts and sporting events and travels (or subsidies) are also organized.

(II) Continuing studies and training system

Annual training plan is prepared in line with Greatek's operational plan. Types of training include: new employee training, general knowledge training, professional training, management training, and language training and more. Greatek enhances employee quality and professional skill-sets through strengthening employees' professional know-how via education and training. We continuously advocate corporate ethics and have formulated a corporate culture that fosters communications.

(III) Retirement system and implementation

Greatek's employee retirement system is implemented in line with the Labor Standards Act, in which pension reserve is allocated on a monthly basis. Additionally, a Pension Supervision Committee, which oversees and reviews matters related to the pension reserve, is set up in accordance with regulations by labor and management. Any employee who has served at Greatek for 15 years or less and is eligible for retirement will be assigned two base points for each year of service. For those who have served at Greatek for over 15 years, two base points will be given for each year of service within the first 15 years, and one base point will be given for each subsequent year. The ceiling is capped at 45 base points. Service years below six months will be counted as six months, and service years over six months but under one year will be counted as one year.

Since July 1, 2005, employees who choose the Labor Pension Act (new labor retirement system) will have their 6% of monthly salary appropriated to the Individual Retirement Account (IRA) at the Bureau of Labor Insurance, Ministry of Labor.

In 2023, pension expenses recognized in the financial statements amounted to NT\$38,560 thousand.

(IV) Employee-employer agreements and measures taken to safeguard employee rights and interests:

Greatek signs employment contracts with each employee and regularly organizes labor relations meetings, so that employees can participate in Greatek's decision-making and communicate over their opinions. Work Rules are also formulated as the basis for employees' compliance. Greatek is committed to maintaining the work safety and physical and mental well-being of our staff. The ISO 45001 and ISO 14001 management systems have been implemented to manage factory hygiene and enhance productivity. Additionally, measures including emergency response plans, fire drill practices and regular 6S evaluation management are also enforced to manage and control occupational risks.

Greatek cares for employees and take an active role in their health. To prevent occupational hazards and to protect the safety and health of employees, general and special employee health checkups are regularly organized. Greatek has also set up an employee grievance hotline, opinion mailbox, and improvement proposal campaign and more, in which designated units will properly handle the relevant matters according to established procedures.

II In the most recent year and as of the date of publication of the Annual Report, the losses suffered due to the labor disputes (including matters with labor inspection results that violate the Labor Standards Act, the date of penalty, the number of penalty letter, the provisions of the statute violated, the content of the statute violated, and the punishment content shall be listed), and the current and future estimated losses from relevant violations and countermeasures shall be provided. If it cannot be estimated reasonably, the reason that it cannot be estimated reasonably shall be provided.

(I) Total losses arising from employment relations disputes for the most recent fiscal year up to the publication date of the Annual Report:
None.

(II) Violations of the Labor Standards Act found during labor inspections in the most recent year and as of the date of publication of this Annual Report:

Date of penalty	August 3, 2023	August 10, 2023
Penalized by	Miaoli County Government	Miaoli County Government
Document of Issuance No.	Fu-Lao-Tzu-Tzu No. 1120177162	Fu-Lao-Fu-Tzu No. 1120182306
Violation of regulation	Article 38 of the Labor Standards Act	Subsection 5, Article 57 of Employment Service Act
Contents of violation	Violation: "A worker who has worked continually for the same employer or business entity for a certain period of time shall be granted annual paid leaves on an annual basis based on the following conditions: I. Three days for service of six months or more but less than one year. II. Seven days for service of one year or more but less than two years. III. Ten days for service of two years or more but less than three years. IV. Fourteen days for service of three years or more but less than five years. V. Fifteen days for service of five years or more but less than ten years. VI. One additional day for each year of service over ten years up to a maximum of thirty days."	Failing to arrange for the employed foreign worker to undergo health examinations or failing to submit the health examinations report(s) to the competent health authority in accordance with the applicable laws and regulations.
Content of penalty	A penalty of NT\$20,000.	A penalty of NT\$60,000.

(III) Current and future probable losses and countermeasures:

Greatek will continue to advocate for compliance to the Labor Standards Act and continue to recruit new employees.

Chapter 6 Information and Communications Security Management:

- I. It specifies the framework for information and communications security risk management, information and communications security policy, substantive management measures, and resources invested toward information and communications security management.

(I) Information and Communications Security Management Framework

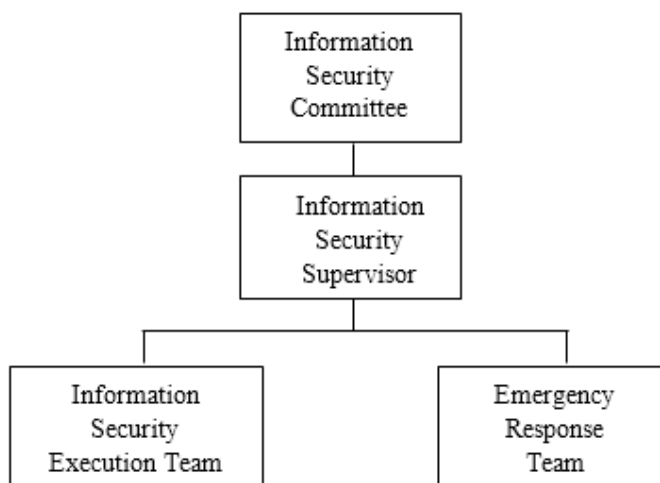
1. Corporate Information Security Governance Organization

To implement information security in practice, Greatek has formulated the Information Security Committee in 2019, and the objective of the organization is to promote and coordinate the building, operation, and maintenance of an information security management system.

The Audit Office has included information and communications security

inspection into its annual Audit Plan, and regularly submits Information Security Audit Report to the Board of Directors.

2. Information Security Committee



Roles and Obligations of the Information Security Committee:

(1) Composition of the Information Security Committee: A unit directly managed by the President in line with the Company's organizational structure; the highest ranking supervisor of this unit is the Information Security Committee.

(2) Information Security Supervisor:

An Information Security Supervisor will be established for the Information Security Committee; the role may be concurrently served by the highest ranking manager at the IT department.

(3) Information Security Execution Team:

Includes information security personnel and in charge of planning and executing various information security operations.

(4) Emergency Response Team:

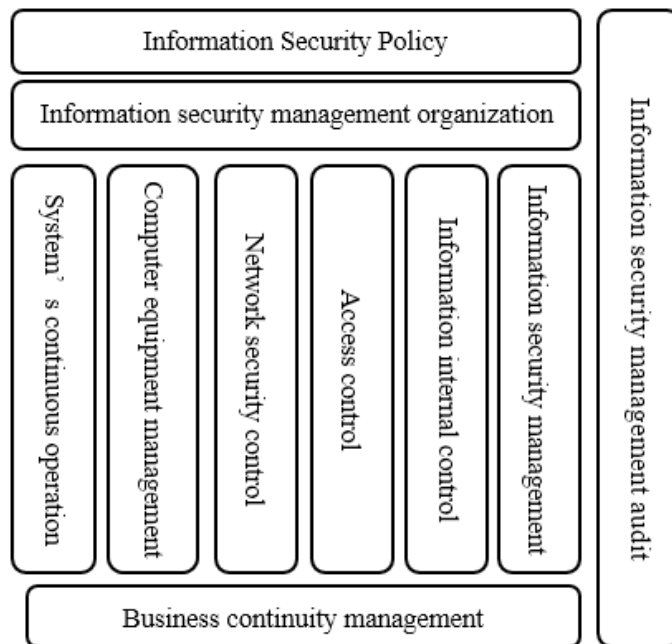
Members will comprise of responsible persons for various key business processes.

(II) Information and Communications Security Policy

Corporate Information Security Management Strategies and Framework

Greatek has formulated internal standards on information security compliance, and authorization restrictions and safety controls have been set up for computer equipment, network environment, and software systems. The system framework has also been reinforced with backup and redundancy mechanisms to ensure the system's rapid and successful recovery after information security incidents.

To strengthen the information security mechanisms and levels of protection, Greatek regularly audits and reviews the internal information security management to correct and to adopt preventive measures on any deficiencies found.



(III) Substantive management actions

1. Computer equipment security management
 - Major equipment including servers are all set up within designated machine rooms that are access controlled with swipe cards, and access records are also retained
 - To reinforce malware detection, End Point protection software is installed on computer devices and the virus patterns are automatically updated to ensure effective virus detection.
 - Before a new machine may begin production procedures at Greatek, it is scanned for viruses to prevent machines containing viruses or malware to enter our site.
2. Network security management
 - Firewalls are set up for Internet, while End Point protection and intrusion detection software is installed on external servers to detect and block external intrusions and attacks.
 - The Intranet is equipped with a malicious behavior detection device that detects any abnormal infectious behavior of computers on the Intranet in order to quickly uncover the source of the infection.
3. Access control
 - Unit requesting system access will file request for authorization based on the information functions, computer application systems, and programs it requires, and its usage rights will be established by a system administrator upon approval from the unit's supervisor and supervisor of the IT department based on its work functions and the system authorization chart.
 - Access to important documents and information will be limited and controlled via encryption.
 - To ensure information security, during employee transfer or turnover, the IT department will properly and timely revise or cancel the employee's account and usage rights based on personnel transfer information.
4. System's continuous operation
 - To prevent system damage from power outage or abnormalities in power supply, the mainframe in the machine room is equipped with

uninterruptible power supply (UPS) and voltage regulators and connected to the Company's generator system.

- A real-time redundancy framework has been implemented; when local machine room loses its functions due to disaster, the remote backup will support the mainframe and the storage device will initiate relevant services.
- Information backup and recovery mechanism has been strengthened; besides daily scheduled storage media backup, routine snapshot backup function of the storage device has also been enabled to reinforce the completeness and efficiency of system recovery.

(IV) Resources Invested Toward Information and Communications Security Management:

The company continues to invest resources in the field of information security. The main achievements in promoting information security are as follows:

1. In 2023, we conducted three unannounced email social engineering drills and social engineering awareness training sessions. The phishing click rate was less than 0.8%.
2. Since 2020, we have collaborated with our parent company, Powertech Technology Inc., to purchase cyber insurance. This is to prevent significant financial loss caused by accidents and to protect the interests of customers and investors.
3. The vendor conducts vulnerability scanning, provides scanning reports and suggestions based on the results, and performs vulnerability patching to reduce the risks of intrusion.
4. All new employees have completed information security training.

- II. In the most recent year and as of the date of publication of the Annual Report, the losses suffered due to major information and communication security incident, and relevant effects and countermeasures shall be provided. If it cannot be estimated reasonably, the reason that it cannot be estimated reasonably shall be provided.

In the most recent year and as of the date of publication of the Annual Report, Greatek has not suffered from any major information or communication security incident.

Chapter 7 Important Contracts

The contracting parties, major content, restrictive clauses, and the commencement dates and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect the shareholders' equity, where said contracts were either still effective as of the date of publication of the Annual Report or expired in the most recent fiscal year:

Nature of contract	Counterparty	Term	Major contents	Restrictions
Engineering contract	Chien Ming Construction Co. Ltd.	2022/4/15~2023/10/21	Building of the dormitory	None
Engineering contract	Jiu Han System Technology Co., Ltd	2022/8/15~2023/11/30	Mechanical and electrical engineering	None

Financial Overview

Chapter 1 Condensed Balance Sheets and Statements of Comprehensive Income

Condensed Balance Sheet (Consolidated)

Unit: NT\$ Thousands

Year Item		Financial Information for the Last Five Years (Note 1)				
		2019	2020	2021	2022	2023
Current assets				11,353,869	8,657,344	9,472,652
Property, Plant and Equipment (Note 2)				13,872,740	14,516,540	13,115,915
Intangible Assets				53,473	97,619	81,237
Other Assets (Note 2)				1,226,001	1,160,732	1,842,852
Total Asset				26,506,083	24,432,235	24,512,656
Current Liabilities	Before Distribution			5,411,464	2,927,106	2,644,685
	After Distribution	None	None	8,255,694	10,360,424	(Note 4)
Non-Current Liabilities				264,714	596,235	335,166
Total Liabilities	Before Distribution			5,676,178	3,523,341	2,979,851
	After Distribution			8,520,408	5,628,071	(Note 4)
Equity Attributable to Owners of the Parent				20,829,905	20,905,749	21,530,166
Share Capital				5,688,459	5,688,459	5,688,459
Capital Surplus				2,282	2,282	2,539
Retained Earnings	Before Distribution			15,094,680	15,372,992	15,267,912
	After Distribution			12,250,450	13,268,262	(Note 4)
Other Equity interest				44,484	(157,984)	571,256
Treasury Shares				-	-	-
Non-Controlling Interest				-	3,145	2,639
Total Equity	Before Distribution			20,829,905	20,908,894	21,532,805
	After Distribution			17,985,675	18,804,164	(Note 4)

Note1: The financial statement for any year that has not been audited and attested by a CPA has to be noted.

Note2: Those who have applied for asset revaluation in the year should include the date of processing and the value of the revaluation.

Note 3: As of the date of publication of the annual report, companies that are listed or whose stocks have been traded over the counter of a securities firm have the latest financial information audited and attested by CPAs, such information shall also be disclosed therewith.

Note 4: For the above-mentioned figure of "after distribution", please fill in the situation according to the resolution of the Shareholders' Meeting of the next year (to be approved by the Shareholders' Meeting).

Note 5: For those who have been notified by the competent authority to revise or to recompile their financial information by themselves, all the figures/numbers used shall be the revised or recompiled ones, and the status and reasons for such revision shall be noted.

Note 6: The Company prepared Consolidated & individual financial statements starting from 2022.

Condensed Balance Sheet (Parent Company Only)

Unit: NT\$ Thousands

Year Item		Financial Information for the Last Five Years (Note 1)				
		2019	2020	2021	2022	2023
Current assets				11,353,869	8,603,315	9,443,412
Property, Plant and Equipment (Note 2)				13,872,740	14,469,804	13,054,498
Intangible Assets				53,473	39,375	27,132
Other Assets (Note 2)				1,226,001	1,280,148	1,949,861
Total Asset				26,506,083	24,392,642	24,474,903
Current Liabilities	Before Distribution			5,411,464	2,930,099	2,640,383
	After Distribution	None	None	8,255,694	5,034,829	(Note 4)
Non-Current Liabilities				264,714	556,794	304,354
Total Liabilities	Before Distribution			5,676,178	3,486,893	2,944,737
	After Distribution			8,520,408	5,591,623	(Note 4)
Equity Attributable to Owners of the Parent				20,829,905	20,905,749	21,530,166
Share Capital				5,688,459	5,688,459	5,688,459
Capital Surplus				2,282	2,282	2,539
Retained Earnings	Before Distribution			15,094,680	15,372,992	15,267,912
	After Distribution			12,250,450	13,268,262	(Note 4)
Other Equity interest				44,484	(157,984)	571,256
Treasury Shares					-	-
Non-Controlling Interest					-	-
Total Equity	Before Distribution			20,829,905	20,905,749	21,530,166
	After Distribution			17,985,675	18,801,019	(Note 4)

Note1: The financial statement for any year that has not been audited and attested by a CPA has to be noted.

Note2: Those who have applied for asset revaluation in the year should include the date of processing and the value of the revaluation.

Note 3: As of the date of publication of the annual report, companies that are listed or whose stocks have been traded over the counter of a securities firm have the latest financial information audited and attested by CPAs, such information shall also be disclosed therewith.

Note 4: For the above-mentioned figure of "after distribution", please fill in the situation according to the resolution of the Shareholders' Meeting of the next year (to be approved by the Shareholders' Meeting).

Note 5: For those who have been notified by the competent authority to revise or to recompile their financial information by themselves, all the figures/numbers used shall be the revised or recompiled ones, and the status and reasons for such revision shall be noted.

Note 6: The Company prepared individual financial statements for the years 2019 to 2021,
The Company prepared Consolidated & individual financial statements starting from 2022.

Condensed Balance Sheet (Stand Alone)

Unit: NT\$ Thousands

Year Item		Financial Information for the Last Five Years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		8,177,381	9,444,467	11,353,869		
Property, Plant and Equipment (Note 2)		10,055,669	10,799,817	13,872,740		
Intangible Assets		80,668	63,037	53,473		
Other Assets (Note 2)		1,202,493	1,224,803	1,226,001		
Total Asset		19,516,211	21,532,124	26,506,083		
Current Liabilities	Before Distribution	2,610,535	3,262,656	5,411,464		
	After Distribution	3,918,881	5,026,078	8,255,694	None	None
Non-Current Liabilities		251,046	272,749	264,714		
Total Liabilities	Before Distribution	2,861,581	3,535,405	5,676,178		
	After Distribution	4,169,927	5,298,827	8,520,408		
Equity Attributable to Owners of the Parent		16,654,630	17,996,719	20,829,905		
Share Capital		5,688,459	5,688,459	5,688,459		
Capital Surplus		1,997	2,154	2,282		
Retained Earnings	Before Distribution	10,924,533	12,255,045	15,094,680		
	After Distribution	9,616,187	10,491,623	12,250,450		
Other Equity interest		39,641	51,061	44,484		
Treasury Shares		-	-	-		
Non-Controlling Interest		-	-	-		
Total Equity	Before Distribution	16,654,630	17,996,719	20,829,905		
	After Distribution	15,346,284	16,233,297	17,985,675		

Note1: The financial statement for any year that has not been audited and attested by a CPA has to be noted.

Note2: Those who have applied for asset revaluation in the year should include the date of processing and the value of the revaluation.

Note 3: As of the date of publication of the annual report, companies that are listed or whose stocks have been traded over the counter of a securities firm have the latest financial information audited and attested by CPAs, such information shall also be disclosed therewith.

Note 4: For the above-mentioned figure of "after distribution", please fill in the situation according to the resolution of the Shareholders' Meeting of the next year (to be approved by the Shareholders' Meeting).

Note 5: For those who have been notified by the competent authority to revise or to recompile their financial information by themselves, all the figures/numbers used shall be the revised or recompiled ones, and the status and reasons for such revision shall be noted.

Note 6: The Company prepared individual financial statements for the years 2019 to 2021,
The Company prepared Consolidated & individual financial statements starting from 2022.

Condensed Statement of Comprehensive Income (Consolidated)

Unit: NT\$ Thousands

Item \ Year	Financial Information for the Last Five Years (Note 1)				
	2019	2020	2021	2022	2023
Operating Revenue			19,461,143	15,950,309	13,570,076
Gross Profit			6,269,702	4,230,301	2,829,971
Income from Operations			5,647,090	3,642,680	2,283,819
Non-Operating Income (Expenses)			102,584	384,375	226,935
Net Income Before Tax			5,749,674	4,027,055	2,510,754
Net Income from Continuing Operations	None	None	4,602,762	3,157,984	1,996,618
Loss from Discontinued Operations			-	-	-
Net Income (Loss) After Tax			4,602,762	3,157,984	1,996,618
Other Comprehensive Income (net of tax)			(6,282)	(238,096)	731,766
Total Comprehensive Income			4,596,480	2,919,888	2,728,384
Net Income Attributable to Owners of the Parent			4,602,762	3,158,170	1,997,124
Net Income (Loss) Attributable to Non-Controlling Interests			-	(186)	(506)
Total Comprehensive Income Attributable to Owners of the Parent			4,596,480	2,920,074	2,728,890
Total Comprehensive Income (Loss) Attributable to Non-Controlling Interests			-	(186)	(506)
Earnings Per Share (EPS)			8.09	5.55	3.51

Note 1: The financial statement for any year that has not been audited and attested by a CPA shall be noted.

Note 2: As of the date of publication of the annual report, companies that are listed or whose stocks have been traded over the counter of a securities firm have the latest financial information audited and attested by CPAs, it shall also be disclosed therewith.

Note 3: Loss from discontinued operations shall be listed using the net amount after tax.

Note 4: For those who have been notified by the competent authority to revise their financial information or make the corrections by themselves, all the figures/numbers used shall be the revised or corrected ones, and the status and reasons for such revision shall be noted.

Note 5: The Company prepared Consolidated & individual financial statements starting from 2022.

Name(s) of CPA and Audit Opinions for the Last Five Years

Year	CPA accounting firm	Name of CPA	Audit opinion
2022	Deloitte Taiwan	Cheng-Chih Lin, Su-Li Fang	Unqualified opinion
2023	Deloitte Taiwan	Cheng-Chih Lin, Su-Li Fang	Unqualified opinion

Condensed Statement of Comprehensive Income (Parent Company Only)

Unit: NT\$ Thousands

Item \ Year	Financial Information for the Last Five Years (Note 1)				
	2019	2020	2021	2022	2023
Operating Revenue			19,461,143	15,948,963	13,565,089
Gross Profit			6,269,702	4,237,880	2,841,777
Income from Operations			5,647,090	3,652,213	2,306,625
Non-Operating Income (Expenses)			102,584	376,719	206,231
Net Income Before Tax			5,749,674	4,028,932	2,512,856
Net Income from Continuing Operations	None	None	4,602,762	3,158,170	1,997,124
Loss from Discontinued Operations			-	-	-
Net Income (Loss) After Tax			4,602,762	3,158,170	1,997,124
Other Comprehensive Income (net of tax)			(6,282)	(238,096)	731,766
Total Comprehensive Income			4,596,480	2,920,074	2,728,890
Net Income Attributable to Owners of the Parent			4,602,762	3,158,170	1,997,124
Net Income (Loss) Attributable to Non-Controlling Interests			-	-	-
Total Comprehensive Income Attributable to Owners of the Parent			4,596,480	2,920,074	2,728,890
Total Comprehensive Income (Loss) Attributable to Non-Controlling Interests			-	-	-
Earnings Per Share (EPS)			8.09	5.55	3.51

Note 1: The financial statement for any year that has not been audited and attested by a CPA shall be noted.

Note 2: As of the date of publication of the annual report, companies that are listed or whose stocks have been traded over the counter of a securities firm have the latest financial information audited and attested by CPAs, it shall also be disclosed therewith.

Note 3: Loss from discontinued operations shall be listed using the net amount after tax.

Note 4: For those who have been notified by the competent authority to revise their financial information or make the corrections by themselves, all the figures/numbers used shall be the revised or corrected ones, and the status and reasons for such revision shall be noted.

Note 5: The Company prepared individual financial statements for the years 2019 to 2021,

The Company prepared Consolidated & individual financial statements starting from 2022.

Condensed Statement of Comprehensive Income (Stand Alone)

Unit: NT\$ Thousands

Item \ Year	Financial Information for the Last Five Years (Note 1)				
	2019	2020	2021	2022	2023
Operating Revenue	12,030,481	14,701,682	19,461,143		
Gross Profit	2,799,344	3,809,640	6,269,702		
Income from Operations	2,339,220	3,246,093	5,647,090		
Non-Operating Income (Expenses)	57,845	57,158	102,584		
Net Income Before Tax	2,397,065	3,303,251	5,749,674		
Net Income from Continuing Operations	1,895,899	2,662,311	4,602,762	None	None
Loss from Discontinued Operations	-	-	-		
Net Income (Loss) After Tax	1,895,899	2,662,311	4,602,762		
Other Comprehensive Income (net of tax)	75,419	(12,033)	(6,282)		
Total Comprehensive Income	1,971,318	2,650,278	4,596,480		
Net Income Attributable to Owners of the Parent	1,895,899	2,662,311	4,602,762		
Net Income Attributable to Non-Controlling Interests	-	-	-		
Total Comprehensive Income Attributable to Owners of the Parent	1,971,318	2,650,278	4,596,480		
Total Comprehensive Income Attributable to Non-Controlling Interests	-	-	-		
Earnings Per Share (EPS)	3.33	4.68	8.09		

Note 1: The financial statement for any year that has not been audited and attested by a CPA shall be noted.

Note 2: As of the date of publication of the annual report, companies that are listed or whose stocks have been traded over the counter of a securities firm have the latest financial information audited and attested by CPAs, it shall also be disclosed therewith.

Note 3: Loss from discontinued operations shall be listed using the net amount after tax.

Note 4: For those who have been notified by the competent authority to revise their financial information or make the corrections by themselves, all the figures/numbers used shall be the revised or corrected ones, and the status and reasons for such revision shall be noted.

Note 5: The Company prepared individual financial statements for the years 2019 to 2021,
The Company prepared Consolidated & individual financial statements starting from 2022.

Name(s) of CPA and Audit Opinions for the Last Five Years

Year	CPA accounting firm	Name of CPA	Audit opinion
2019	Deloitte Taiwan	Yu-Feng Huang, Cheng-Chih Lin	Unqualified opinion
2020	Deloitte Taiwan	Yu-Feng Huang, Cheng-Chih Lin	Unqualified opinion
2021	Deloitte Taiwan	Yu-Feng Huang, Cheng-Chih Lin	Unqualified opinion

Chapter 2 Financial Analysis

Financial Analyses for the Last Five Years (Consolidated)

Analysis item (Note 3)		Financial Analysis for the Last Five Years				
		2019	2020	2021	2022	2023
Financial Structure	Debt to Asset Ratio (%)			21.41	14.42	12.16
	Long-term Capital to Property, Plant and Equipment (%)			152.06	148.12	166.71
Liquidity	Current Ratio (%)			209.81	295.76	358.18
	Quick Ratio (%)			184.42	246.71	319.73
	Times Interest Earned			-	-	-
Operating Performance Analysis	Average Collection Turnover (times)			4.95	4.86	5.41
	Average Collection Period			74	75	67
	Inventory Turnover (times)			12.35	8.41	8.84
	Average Payment Turnover (times)	None	None	11.20	12.97	20.18
	Average Inventory Turnover Days			30	43	41
	Property, Plant and Equipment (PP&E) Turnover (times)			1.58	1.12	0.98
	Total Assets Turnover (times)			0.81	0.63	0.55
Profitability	Return on Total Assets (%)			19.16	12.40	8.16
	Return on Equity (ROE) (%)			23.71	15.13	9.41
	Pre-tax Income to Paid-in Capital Ratio (%) (Note 7)			101.08	70.79	44.14
	Net Margin (%)			23.65	19.80	14.71
	Earnings Per Share (EPS) (NT\$)			8.09	5.55	3.51
Cash Flow	Cash Flow Ratio (%)			137.02	218.22	170.95
	Cash Flow Adequacy Ratio (%)			0.98	0.96	1.01
	Cash Flow Reinvestment Ratio (%)			15.60	9.45	6.78
Leverage	Operating Leverage			2.00	2.60	3.24
	Financial Leverage			1	1	1
Reasons for the changes in various financial ratios in the most recent two years. (Analysis is not required if the change is within 20%)						
<ol style="list-style-type: none"> Increases in current ratio and quick ratio are mostly attributable to the decline in the semiconductor industry, leading to tightened capital expenditure and increased cash holdings. Increases in payables turnover are mostly attributable to the downturn in semiconductor industry, leading to inventory adjustments and a decrease in accounts payable. Decreases in return on assets (ROA), return on equity (ROE), Ratio of income before tax to paid-in capital, profit margin, and earnings per share (EPS) are mostly attributable to the slowdown in the semiconductor industry and the decline in revenue and profitability compared to 2022. Decreases in cash flow and cash reinvestment ratio are mostly attributable to the slowdown in the semiconductor industry and the decline in profitability, leading to a decrease in cash flow from operating activities compared to 2022. The increase in degree of operating leverage (DOL) is mainly attributable to the downturn in the semiconductor industry, tightened capital expenditure and cost control. 						

Notes : The Company prepared individual financial statements for the years 2019 to 2021,

The Company prepared Consolidated & individual financial statements starting from 2022. °

Financial Analyses for the Last Five Years (Parent Company Only)

Analysis item (Note 3) \ Year (Note 1)		Financial Analysis for the Last Five Years				
		2019	2020	2021	2022	2023
Financial Structure	Debt to Asset Ratio (%)			21.41	14.29	12.03
	Long-term Capital to Property, Plant and Equipment (%)			152.06	148.33	167.26
Liquidity	Current Ratio (%)			209.81	293.62	357.65
	Quick Ratio (%)			184.42	244.70	319.24
	Times Interest Earned			-	-	-
Operating Performance Analysis	Average Collection Turnover (times)			4.95	4.86	5.85
	Average Collection Period			74	75	62
	Inventory Turnover (times)			12.35	8.41	8.84
	Average Payment Turnover (times)	None	None	11.20	12.80	19.41
	Average Inventory Turnover Days			30	43	41
	Property, Plant and Equipment (PP&E) Turnover (times)			1.58	1.13	0.99
	Total Assets Turnover (times)			0.81	0.63	0.56
Profitability	Return on Total Assets (%)			19.16	12.41	8.17
	Return on Equity (ROE) (%)			23.71	15.13	9.41
	Pre-tax Income to Paid-in Capital Ratio (%) (Note 7)			101.08	70.83	44.17
	Net Margin (%)			23.65	19.80	14.72
	Earnings Per Share (EPS) (NT\$)			8.09	5.55	3.51
Cash Flow	Cash Flow Ratio (%)			137.02	217.54	171.16
	Cash Flow Adequacy Ratio (%)			0.98	0.96	1.01
	Cash Flow Reinvestment Ratio (%)			15.60	9.43	6.82
Leverage	Operating Leverage			2.00	2.59	3.20
	Financial Leverage			1	1	1

Reasons for the changes in various financial ratios in the most recent two years. (Analysis is not required if the change is within 20%)

- Increases in current ratio and quick ratio are mostly attributable to the decline in the semiconductor industry, leading to tightened capital expenditure and increased cash holdings.
- Increases in receivables turnover are mostly attributable to the semiconductor industry downturn, as customers adjust inventory, leading to decreased in accounts receivable at the end of 2022 and 2023.
- Increases in payables turnover are mostly attributable to the downturn in semiconductor industry, leading to inventory adjustments and a decrease in accounts payable.
- Decreases in return on assets (ROA), return on equity (ROE), Ratio of income before tax to paid-in capital, profit margin, and earnings per share (EPS) are mostly attributable to the slowdown in the semiconductor industry and the decline in revenue and profitability compared to 2022.
- Decreases in cash flow and cash re-investment ratio are mostly attributable to the slowdown in the semiconductor industry and the decline in profitability, leading to a decrease in cash flow from operating activities compared to 2022.
- The increase in degree of operating leverage (DOL) is mainly attributable to the downturn in the semiconductor industry, tightened capital expenditure and cost control.

Notes : The Company prepared individual financial statements for the years 2019 to 2021,

The Company prepared Consolidated & individual financial statements starting from 2022. °

Financial Analyses for the Last Five Years (Stand Alone)

Analysis item (Note 3) \ Year (Note 1)		Financial Analysis for the Last Five Years				
		2019	2020	2021	2022	2023
Financial Structure	Debt to Asset Ratio (%)	14.66	16.42	21.41		
	Long-term Capital to Property, Plant and Equipment (%)	168.12	169.16	152.06		
Liquidity	Current Ratio (%)	313.25	289.47	209.81		
	Quick Ratio (%)	292.59	265.36	184.42		
	Times Interest Earned	-	-	-		
Operating Performance Analysis	Average Collection Turnover (times)	4.05	4.48	4.95		
	Average Collection Period	90	81	74		
	Inventory Turnover (times)	16.70	16.68	12.35	None	None
	Average Payment Turnover (times)	12.88	12.27	11.20		
	Average Inventory Turnover Days	22	22	30		
	Property, Plant and Equipment (PP&E) Turnover (times)	1.19	1.41	1.58		
	Total Assets Turnover (times)	0.63	0.72	0.81		
Profitability	Return on Total Assets (%)	9.89	12.97	19.16		
	Return on Equity (ROE) (%)	11.53	15.37	23.71		
	Pre-tax Income to Paid-in Capital Ratio (%) (Note 7)	42.14	58.07	101.08		
	Net Margin (%)	15.76	18.11	23.65		
	Earnings Per Share (EPS) (NT\$)	3.33	4.68	8.09		
Cash Flow	Cash Flow Ratio (%)	159.40	155.99	137.02		
	Cash Flow Adequacy Ratio (%)	0.99	0.85	0.98		
	Cash Flow Reinvestment Ratio (%)	8.69	11.53	15.60		
Leverage	Operating Leverage	2.92	2.59	2.00		
	Financial Leverage	1	1	1		
Reasons for the changes in various financial ratios in the most recent two years. (Analysis is not required if the change is within 20%)						

Note 1: The year financial statements not audited and attested by a CPA have to be noted.

Note 2: As of the date of publication of the annual report, companies that are listed or whose stocks have been traded over the counter of a securities firm have the latest financial information audited and attested by CPAs, such information shall be analyzed.

Note 3: The formulas of the above tables are as follows:

1. Financial structure

(1) Debt to Asset ratio = Total Liabilities / Total Assets.

(2) Property, Plant, and Equipment (PP&E) Turnover Ratio = (Shareholders' Equity + Non-Current Liabilities) / Property, Plant and Equipment, net.

2. Liquidity Analysis

(1) Current Ratio = Current Assets / Current Liabilities.

(2) Quick Ratio = (Current Assets – Inventory - Prepaid Expenses) / Current Liabilities.

(3) Times Interest Earned = Earnings Before Interest and Taxes (EBIT) / Interest Expenses

3. Operating Performance Analysis

- (1) Average Collection Turnover = Net Sales / Average Receivables Balance (including accounts receivable and notes receivable arising from business operations).
- (2) Average Collection Period = $365 / \text{Accounts Receivable Turnover Ratio}$
- (3) Inventory Turnover = Cost of Goods Sold (COGS) / Average Inventory.
- (4) Average Payment Turnover = COGS / Average Payable Balance (including accounts payable and notes payable arising from business operations)
- (5) Average Inventory Turnover Days = $365 / \text{Inventory Turnover}$.
- (6) Property, Plant and Equipment (PPE) Turnover = Net Sales/Average Property, Plant, and Equipment, net
- (7) Total Assets Turnover = Net Sales/Average Total Assets.

4. Profitability Analysis

- (1) Return on Total Assets = $(\text{Net Income after Tax} + \text{Interest Expenses} * (1 - \text{Effective Tax Rate})) / \text{Average Total Assets}$.
- (2) Return on Total Equity = Net Income after Tax/Average Total Equity
- (3) Net Margin = Net Income after Tax/Net Sales
- (4) Earnings Per Share = $(\text{Net Income Attributable to Owners of Parent Company} - \text{Preferred Shares Dividends}) / \text{Weighted Average Number of Shares Outstanding. (Note 4)}$

5. Cash Flow

- (1) Cash Flow Ratio = Net Cash Flow from Operating Activities/Current Liabilities
- (2) Cash Flow Adequacy Ratio = $\text{Five-year Sum of Cash from Operations} / \text{Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend}$
- (3) Cash Flow Reinvestment Ratio = $(\text{Net Cash Flow from Operating Activities} - \text{Cash Dividends}) / (\text{Gross Property, Plant, and Equipment} + \text{Long-term Investment} + \text{Other Non-Current Assets} + \text{Working Capital})$. (Note 5)

6. Leverage:

- (1) Operating Leverage = $(\text{Net Operating Revenue} - \text{Variable Operating Costs and Expenses}) / \text{Income from Operations. (Note 6)}$
- (2) Financial leverage = $\text{Income from Operations} / (\text{Income from Operations} - \text{Interest Expenses})$.

Note 4: Special attention shall be paid to the following matters when using the calculation formula of EPS above:

1. Shares outstanding is based on weighted average shares, and not based on year-end shares outstanding.
2. For capitalization with cash or treasury stock trade, the stock circulation must be included for consideration to calculate weighted average shares.
3. For capitalization with retained earnings and capital surplus, the earnings per share calculated semi-annually and annually must be adjusted retroactively and proportionally to the capitalization but without considering the issuance period of the capitalization
4. If preferred shares are non-convertible and cumulative, the dividend of the year (whether it is distributed or not) shall be deducted from net income or added to the net loss. If preferred shares are not cumulative, preferred dividend shall be deducted from net income after tax in the event of net profits, but no adjustment is needed if there are losses. .

Note 5: Special attention should be paid to the following when measuring Cash Flow Analysis:

1. Net Cash Flow from Operating Activities refers to Net Cash Inflow from Operating Activities in the Cash Flow Statement.
2. Capital expenditures are Cash Outflows from the year's Capital Investments.
3. Inventory increases are only counted when the ending balance is greater than the beginning balance. If inventory has decreased at year-end, inventory increase will be zero.
4. Cash dividends include cash dividends from common shares and preferred shares.
5. Gross Property, Plant, and Equipment refers to Total Property, Plant, and Equipment before deducting Accumulated Depreciation.

Note 6: The issuer shall classify the operating costs and operating expenses as either fixed or variable as per their nature. If such classification involves estimation or subjective judgment, it must be made reasonably and consistently

Note 7: Where the Company's shares have no par value or where the par value per share is not NT\$10, any calculations that involve paid-in capital and its ratio shall be replaced with the equity ratio attributable to the owner of the parent in the balance sheet.

Chapter 3 Audit Committee's Report on the Financial Statements for the Most Recent Fiscal Year

Review Report from the Audit Committee

The Board of Directors has prepared Greatek's 2023 Business Report, financial statements and Proposal for Earnings Distribution, among which the financial statements have been audited by Deloitte Taiwan, by whom an Independent Auditor's Report has been issued accordingly. The aforementioned Business Report, financial statements, and Proposal for Earnings Distribution, have been examined and reviewed by the Audit Committee, and no irregularities were found. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this Report.

To

2024 Annual Shareholders' Meeting of Greatek Electronics Inc.

Greatek Electronics Inc.

Chairman of the Audit Committee:

Chu-Chien Feng

Published on February 23, 2024

Chapter 4 Financial Statement for the Most Recent Fiscal Year

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Greatek Electronics Inc.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Contract assets and revenue recognition

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

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

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2024

Notice to Readers

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

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

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

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

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

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

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

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

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

(Continued)

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

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

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

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

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

(Concluded)

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

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

	Equity Attributable to Shareholders of the Corporation							Other Equity			
	Share Capital Issued and Outstanding			Retained Earnings			Unrealized Gain (Loss) on Investments in Equity Instruments at Fair Value Through Other Comprehensive Income	Total	Noncontrolling Interest	Total Shareholders' Equity	
	Share (Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE, JANUARY 1, 2022	568,846	\$ 5,688,459	\$ 2,282	\$ 3,524,620	\$ -	\$ 11,570,060	\$ 44,484	\$ 20,829,905	\$ -	\$ 20,829,905	
APPROPRIATION OF 2021 EARNINGS											
Legal reserve	-	-	-	460,306	-	(460,306)	-	-	-	-	
Cash dividends to shareholders - NT\$5.0 per share	-	-	-	-	-	(2,844,230)	-	(2,844,230)	-	(2,844,230)	
Net income for the year ended December 31, 2022	-	-	-	-	-	3,158,170	-	3,158,170	(186)	3,157,984	
Other comprehensive income (loss) for the year ended December 31, 2022 , net of income tax	-	-	-	-	-	(35,628)	(202,468)	(238,096)	-	(238,096)	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	3,122,542	(202,468)	2,920,074	(186)	2,919,888	
Additional non-controlling interests recognized on acquisition of subsidiary	-	-	-	-	-	-	-	-	3,331	3,331	
BALANCE, DECEMBER 31, 2022	568,846	5,688,459	2,282	3,984,926	-	11,388,066	(157,984)	20,905,749	3,145	20,908,894	
APPROPRIATION OF 2022 EARNINGS											
Legal reserve	-	-	-	312,254	-	(312,254)	-	-	-	-	
Special reserve	-	-	-	-	157,984	(157,984)	-	-	-	-	
Cash dividends to shareholders - NT\$3.7 per share	-	-	-	-	-	(2,104,730)	-	(2,104,730)	-	(2,104,730)	
Capital surplus - donations from shareholders	-	-	257	-	-	-	-	257	-	257	
Net income for the year ended December 31, 2023	-	-	-	-	-	1,997,124	-	1,997,124	(506)	1,996,618	
Other comprehensive income (loss) for the year ended December 31, 2023 , net of income tax	-	-	-	-	-	2,526	729,240	731,766	-	731,766	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,999,650	729,240	2,728,890	(506)	2,728,384	
BALANCE, DECEMBER 31, 2023	568,846	\$ 5,688,459	\$ 2,539	\$ 4,297,180	\$ 157,984	\$ 10,812,748	\$ 571,256	\$ 21,530,166	\$ 2,639	\$ 21,532,805	

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

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

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

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

(Continued)

GREATEK ELECTRONICS INC.

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

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

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

(Concluded)

GREATEK ELECTRONICS INC.

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

1. GENERAL INFORMATION

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

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

Powertech Technology Inc. (PTI) acquired Greatek’s 44.09% ownership, pursuant to Greatek’s board approval on December 21, 2011. On the reelection of the directors and supervisors of Greatek, PTI holds a majority of the directors seats and become parent. PTI has 42.91% ownership of Greatek as of December 31, 2023 and 2022.

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

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

- a. Statement of compliance

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

- b. Basis of preparation

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

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

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

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

Current assets include:

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

Current liabilities include:

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

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

d. Basis of consolidation

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

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

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

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

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

e. Business combinations

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

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

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

f. Foreign currencies

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

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

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

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

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

g. Inventories

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

h. Property, plant, and equipment

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

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

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

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

i. Goodwill

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

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

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

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

j. Intangible assets

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

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

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

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

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

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

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

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

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

1. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

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

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

ii. Financial assets at amortized cost

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

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

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

3) Financial liabilities

a) Subsequent measurement

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

i. Financial liabilities at FVTPL

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

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

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

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

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

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

m. Provisions

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

Provisions, including Indemnification payable, are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

n. Revenue recognition

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

Revenue from services

When the Corporation fulfilled the assembly service contract, the customer controls the goods when they are created or enhanced, the Corporation has the right to perform the collection if partial of the assembly service contract have been fulfilled, and the revenue from assembly service is recognized over time. When the Corporation fulfilled the testing service contract, the customer simultaneously receives and consumes the benefits provided by the Corporation's performance, the Corporation has the right to perform the collection if partial of the testing service contract have been fulfilled, and the revenue from testing service is recognized over time. A contract asset is recognized during the process of semiconductor assembling and testing, and is reclassified to accounts receivable at the point the bills were issued. It is recognized as contract asset until the Corporation satisfies its performance.

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

o. Leasing

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

1) The Corporation as lessor

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

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

2) The Corporation as lessee

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

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

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

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

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

p. Government grants

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

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

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

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

r. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Critical Accounting Judgements

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

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

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

b. Fair value measurements and valuation processes

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

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

6. CASH

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

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

	December 31	
	2023	2022
Bank deposits	0.55%-5.15%	0.31%-4.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

Financial liabilities at FVTPL - current

Financial liabilities held for trading - current		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	<u>\$ 6</u>	<u>\$ 250</u>

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

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

The Corporation entered into foreign exchange forward contracts during the 2023 and 2022 to manage exposures due to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for by using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

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

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

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

10. NOTES AND ACCOUNTS RECEIVABLE, NET

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

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

The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivables. The expected credit losses on accounts receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Corporation's historical credit loss experience indicates different loss patterns for different customer segments, the provision for loss allowance

based on past due status is therefore further distinguished according to the Corporation's different customer base.

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

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

December 31, 2023

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

December 31, 2022

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

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

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

11. INVENTORIES

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

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

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

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			December 31		
			2023	2022	
Greatek Electronics Inc.	Get-Team Tech Corporation (Get-Team)	Metal plating on semiconductor lead frame	97.46	97.46	Note 1

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

13. PROPERTY, PLANT AND EQUIPMENT

For the Year Ended December 31, 2022										
	Land	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Installation	Construction in Progress	Spare Parts	Total
<u>Cost</u>										
Balance, beginning of year	\$ 1,877,336	\$ 3,966,175	\$ 19,936,998	\$ 20,698	\$ 122,402	\$ 539,076	\$ 875,862	\$ 1,501,618	\$ 259,407	\$ 29,099,572
Additions	94,973	297,200	1,036,256	4,741	27,819	92,206	729,804	1,027,987	368,939	3,679,925
Acquisitions through business combinations (note 25)	8,946	9,527	123,965	3,042	57	13,700	10,578	-	-	169,815
Disposals	-	(1,764)	(1,909,185)	-	-	-	-	-	(369,799)	(2,280,748)
Reclassified	97	546,312	768,402	-	-	11,850	(780,254)	(546,409)	-	(2)
Balance, end of year	<u>1,981,352</u>	<u>4,817,450</u>	<u>19,956,436</u>	<u>28,481</u>	<u>150,278</u>	<u>656,832</u>	<u>835,990</u>	<u>1,983,196</u>	<u>258,547</u>	<u>30,668,562</u>
<u>Accumulated depreciation</u>										
Balance, beginning of year	-	2,236,853	12,504,832	11,592	71,251	402,304	-	-	-	15,226,832
Additions	-	251,644	2,384,667	3,580	17,619	49,974	-	-	369,799	3,077,283
Acquisitions through business combinations (note 25)	-	4,512	113,348	864	48	9,575	-	-	-	128,347
Disposals	-	(1,764)	(1,908,877)	-	-	-	-	-	(369,799)	(2,280,440)
Balance, end of year	-	<u>2,491,245</u>	<u>13,093,970</u>	<u>16,036</u>	<u>88,918</u>	<u>461,853</u>	-	-	-	<u>16,152,022</u>
Net book value, end of year	<u>\$ 1,981,352</u>	<u>\$ 2,326,205</u>	<u>\$ 6,862,466</u>	<u>\$ 12,445</u>	<u>\$ 61,360</u>	<u>\$ 194,979</u>	<u>\$ 835,990</u>	<u>\$ 1,983,196</u>	<u>\$ 258,547</u>	<u>\$ 14,516,540</u>
For the Year Ended December 31, 2023										
	Land	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Installation	Construction in Progress	Spare Parts	Total
<u>Cost</u>										
Balance, beginning of year	\$ 1,981,352	\$ 4,817,450	\$ 19,956,436	\$ 28,481	\$ 150,278	\$ 656,832	\$ 835,990	\$ 1,983,196	\$ 258,547	\$ 30,668,562
Additions	-	234,517	350,766	-	15,744	65,228	297,455	382,624	337,218	1,683,552
Disposals	-	-	(4,913,498)	(810)	(37,645)	(111,970)	-	-	(337,861)	(5,401,784)
Reclassified	-	1,587,691	761,815	-	8,531	35,051	(805,397)	(1,558,769)	-	-
Balance, end of year	<u>1,981,352</u>	<u>6,639,658</u>	<u>16,155,519</u>	<u>27,671</u>	<u>136,908</u>	<u>645,141</u>	<u>328,048</u>	<u>778,129</u>	<u>257,904</u>	<u>26,950,330</u>
<u>Accumulated depreciation</u>										
Balance, beginning of year	-	2,491,245	13,093,970	16,036	88,918	461,853	-	-	-	16,152,022
Additions	-	399,241	2,261,410	3,777	18,523	63,107	-	-	337,861	3,083,919
Disposals	-	-	(4,913,498)	(810)	(37,645)	(111,712)	-	-	(337,861)	(5,401,526)
Balance, end of year	-	<u>2,890,486</u>	<u>10,441,882</u>	<u>19,003</u>	<u>69,796</u>	<u>413,248</u>	-	-	-	<u>13,834,415</u>
Net book value, end of year	<u>\$ 1,981,352</u>	<u>\$ 3,749,172</u>	<u>\$ 5,713,637</u>	<u>\$ 8,668</u>	<u>\$ 67,112</u>	<u>\$ 231,893</u>	<u>\$ 328,048</u>	<u>\$ 778,129</u>	<u>\$ 257,904</u>	<u>\$ 13,115,915</u>

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

Buildings

Main plants 26 years

Mechanical and electrical power equipment 2-11 years

Others 2-51 years

Machinery and equipment 2-10 years

Transportation equipment 4-6 years

Office equipment 3-7 years

Other equipment 2-16 years

Spare parts 0.5 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

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

b. Lease liabilities

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

Range of discount rate for lease liabilities was as follows:

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

c. Material lease-in activities and terms

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

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

15. INTANGIBLE ASSETS

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

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

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

Trade secret	10 years
Computer Software	5 years

16. OTHER ASSETS

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

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

17. OTHER LIABILITIES

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

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

18. GUARANTEE DEPOSITS

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

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

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

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

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

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

Movements in net defined benefit liability were as follows:

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

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

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

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

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

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

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	
	2023	2022
The expected contributions to the plan for the next year	\$ 151	\$ 8,163
The average duration of the defined benefit obligation	2 years	11 years

20. EQUITY

a. Ordinary shares

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

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

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

b. Capital surplus

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

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

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, Greatek should make appropriations from its net income in the following order:

- 1) Deducted for accumulated deficits. (include current year's adjusted undistributed earnings)
- 2) Appropriate the 10% as the legal reserve. However when the legal reserve amounts to the authorized capital, this shall not apply.
- 3) Appropriate or reverse the special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge.
- 4) The board of directors will draft a resolution declaring a dividend equaling the sum of previous years' surpluses and current year's adjusted undistributed earnings, less previous expense balances. The

shareholders will ultimately decide whether the amount should be distributed as dividends or retained within the Corporation.

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

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

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

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

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

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

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

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

d. Special reserve

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

e. Other equity items

Unrealized gain (loss) on financial assets at FVTOCI

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

f. Non-controlling interests

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

21. REVENUE

a. Contract information

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

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

b. Contact balances

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

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

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

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

c. Disaggregation of revenue

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

22. NET PROFIT

a. Interest income

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

b. Other income

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

c. Other gains and losses

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

d. Depreciation and amortization

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

e. Employee benefit expense

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

(Continued)

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

f. Employees' compensation and remuneration to directors

The Corporation accrued employees' compensation and remuneration of directors at the rates between 9% to 15% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2023 and 2022 which have been approved by the Company's board of directors on February 23, 2024 and February 24, 2023, respectively, were as follows:

Accrual rate

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

Amount

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

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

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

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors in 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Gain or loss on foreign currency exchange

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

23. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

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

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

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

b. Current tax liabilities

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

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

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

(Continued)

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

For the year ended December 31, 2022

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

Deferred Tax Liabilities

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

d. Income tax assessments

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

24. EARNINGS PER SHARE

Unit: NT\$ Per Share

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

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

Net Profit for the Periods

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

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

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

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

25. SUBSIDIARIES ACQUIRED

a. Subsidiaries acquired

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

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

b. Consideration transferred

	Get-Team Tech Corporation
Cash	<u>\$ 171,523</u>

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

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

	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	<u>(19,623)</u>
	<u>\$ 156,958</u>

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

d. Non-controlling interests

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

e. Goodwill recognized on acquisitions

	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	<u>(156,958)</u>
	<u>\$ 17,896</u>

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

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

- f. Net cash outflow on the acquisition of subsidiaries

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

26. CAPITAL MANAGEMENT

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

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

Key management personnel of the Corporation review the capital structure on 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, 2023

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

December 31, 2022

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

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

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

1) Fair value hierarchy

December 31, 2023

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

December 31, 2022

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

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

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

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

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

The Corporation had foreign currency sales and purchases, which exposed the Corporation to foreign currency risk. Approximately 74% and 65% of the Corporation's sales were denominated in currencies other than the functional currency of the Corporation entity making the sale, whilst almost both 15% of costs were denominated in the Corporation entity's non-functional currency for the year ended December 31, 2023 and 2022. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

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

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

Sensitivity analysis

The Corporation was mainly exposed to the currency USD. The sensitivity analysis included currency USD denominated monetary items at the end of the reporting period. For a 1% strengthening and weakening of New Taiwan dollars against US dollars, the Corporation's pre-tax profit for the year ended December 31, 2023 and 2022 would decrease/increase by \$18,626 thousand and \$15,319 thousand.

b) Interest rate risk

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

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

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

Sensitivity analysis

If interest rates had been 0.5% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the year ended December 31, 2023 and 2022 would increase/decrease by \$986 thousand and \$3,190 thousand, respectively, which was mainly attributable to the Corporation's exposure to interest rates on its variable-rate net assets.

c) Other price risk

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

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 1% higher/lower, the Corporation's pre-tax profit for the year ended December 31, 2022 would increase/decrease by \$282, respectively, as a result of the changes in fair value of financial instruments classified as FVTPL. If equity prices had been 1% higher/lower, the Corporation's other comprehensive income for the year ended December 31, 2023 and 2022 would increase/decrease by \$16,638 thousand and \$9,346 thousand, respectively, as a result of the changes in fair value of financial instruments classified as FVTOCI.

2) Credit risk

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

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

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

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

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

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

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, 2023

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

Additional information about the maturity analysis for lease liabilities:

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

December 31, 2022

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

Additional information about the maturity analysis for lease liabilities:

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

b) Liquidity of derivative financial liabilities

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

December 31, 2023

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

December 31, 2022

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

28. TRANSACTIONS WITH RELATED PARTIES

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

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

a. Related party name and relationship

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

b. Revenue

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

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

c. Purchase

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

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

d. Contract assets

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

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

e. Manufacturing expenses and operating expenses

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

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

f. Trade receivables from related parties

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

g. Other receivables

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

h. Accrued expenses and other current liabilities

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

i. Compensation of key management personnel

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

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

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

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

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencie of the Corporation at December 31,2023 was as follows:

a. Significant unrecognized commitments

- 1) In April 2022, Greatek signed a contract worth \$414,000 thousand with Jian Ming Contractor Co., Ltd. to set up a dormitory. As of December 31,2023, the Corporation has paid a total of \$372,600 thousand.
- 2) In July 2022, Greatek signed a contract worth \$418,000 thousand with Jiu Han System Technology Co., Ltd. to set up MEP systems of the dormitory. As of December 31,2023, the Corporation has paid a total of \$376,200 thousand.

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

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

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

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

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

32. SEPARATELY DISCLOSED ITEMS

Information about significant transactions and investees:

- a. Loans provided to other parties: None.
- b. Endorsement/guarantee provided: None.
- c. Marketable securities held: Table 1 (attached).
- d. Purchases or sales of the same marketable securities amounting to at least NT\$300 million or 20% of the paid-in capital: None.
- e. Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
- f. Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital: None.
- g. Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: Table 2 (attached).

- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3 (attached).
- i. Derivative transactions : Note 7.
- j. Information of intercompany relationships and significant intercompany transactions: Table 4 (attached).
- k. Names, locations, and related information of investees over which the Corporation exercises significant influence: Table 5 (attached).
- l. Information on investment in mainland China: None.
- m. Information of major shareholders: Table 6 (attached).

33. SEGMENT INFORMATION

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

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

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

- c. Geographic information

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

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

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

d. Major customers

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

TABLE 1**GREATEK ELECTRONICS INC. AND SUBSIDIARIES****MARKETABLE SECURITIES HELD****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares (Thousands)	Carrying Value	% of Ownership	Fair Value	
Greatek Electronics Inc.	<u>Bond</u> P08 Taipower 3A	-	Financial assets at amortized cost – current	50	\$ 50,000	-	\$ 50,000	Note 1
	<u>Stock</u> Powertech Technology Inc.	Parent entity	Financial assets at fair value through other comprehensive profit or loss - noncurrent	11,800	1,663,800	2	1,663,800	Note 2
	SAMHOP Microelectronics Corp.	-	Financial assets at fair value through profit or loss - noncurrent	268	-	3	-	Note 3
	Terawins Inc.	-	Financial assets at fair value through profit or loss - noncurrent	643	-	2	-	Note 3
	Airwave Technologies Inc.	-	Financial assets at fair value through profit or loss - noncurrent	93	-	1	-	Note 3

Note 1: The fair value was based on trading market in hundreds of new Taiwan dollars as of December 31, 2023.

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

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

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

TABLE 2**GREATEK ELECTRONICS INC. AND SUBSIDIARIES**

**TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023**
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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

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

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

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

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Greatek Electronics Inc.	Realtek Semiconductor Corp.	Parent company of the corporate director	\$ 305,491	4.58	\$ -	-	\$ 97,053	\$ -

GREATEK ELECTRONICS INC. AND SUBSIDIARIES
**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Company Name	Counterparty	Transaction Flow (Note 1)	Intercompany Transactions			
			Financial Statement Item	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
Greatek Electronics Inc.	Get-Team Tech Corporation	1	Subcontract costs	\$ 115,220	Note 2	1%
	Get-Team Tech Corporation	1	Accounts payables	31,552	Note 2	-
	Get-Team Tech Corporation	1	Accrued expenses	697	Note 2	-

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

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

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE

DECEMBER 31, 2023

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	% of Ownership	Carrying Value			
Greatek Electronics Inc.	Get-Team Tech Corporation	Hsinchu	Metal plating on semiconductor lead frame	\$ 171,523	\$ 171,523	7,796,498	97.46	\$ 145,019	\$ (13,486)	\$ (19,367)	Subsidiary

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

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

Chapter 5

CPA Certified Parent Company Only Financial Statement for the Most Recent Fiscal

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Greatek Electronics Inc.

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023 and 2022, the financial performance and the cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the 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 financial statements of the Corporation for the year ended December 31, 2023, are described as follows:

Contract assets and revenue recognition

1. The sales revenue is material to the Corporation. Please refer to Note 21 to the accompanying 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.

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

Management is responsible for the preparation and fair presentation of the company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the company only 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 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 company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2024

Notice to Readers

The accompanying 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying 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 financial statements shall prevail.

GREATEK ELECTRONICS INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022		LIABILITIES AND EQUITY	2023		2022	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,713,162	19	\$ 3,796,761	15	Financial liabilities at fair value through profit or loss - current (Notes 4, 5 and 7)	\$ 6	-	\$ 250	-
Financial assets at fair value through profit or loss - current (Notes 4, 5 and 7)	1,978	-	29,218	-	Contract liabilities - current (Notes 4 and 21)	112,686	1	200,206	1
Financial assets at amortized cost - current (Notes 4, 5 and 9)	50,000	-	50,000	-	Notes payable	3,751	-	6,563	-
Contract assets - current (Notes 4, 21 and 28)	741,563	3	883,364	4	Accounts payable (Note 28)	665,352	3	429,141	2
Notes receivable (Notes 4, 5, 10 and 21)	16,338	-	44,579	-	Payables to equipment suppliers	248,335	1	161,826	1
Accounts receivable (Notes 4, 5, 10 and 21)	2,390,890	10	1,998,096	8	Accrued compensation to employees and remuneration to directors (Notes 4 and 22)	351,971	1	510,689	2
Receivables from related parties (Notes 4, 5, 21 and 28)	397,557	2	169,330	1	Current income tax liabilities (Notes 4 and 23)	82,063	-	248,310	1
Inventories (Notes 4 and 11)	1,003,792	4	1,422,430	6	Lease liabilities - current (Notes 4 and 14)	1,521	-	1,627	-
Prepaid expenses and other current assets (Notes 4, 16 and 28)	128,132	1	209,537	1	Accrued expenses and other current liabilities (Notes 4, 17 and 28)	1,104,076	5	1,300,969	5
					Guarantee deposits - current (Note 18)	70,622	-	70,518	-
Total current assets	9,443,412	39	8,603,315	35	Total current liabilities	2,640,383	11	2,930,099	12
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,663,800	7	934,560	4	Deferred income tax liabilities (Notes 4 and 23)	394	-	151	-
Investments accounted for using the equity method (Notes 4, 12 and 25)	145,019	1	164,386	1	Lease liabilities - noncurrent (Notes 4 and 14)	9,517	-	11,038	-
Financial assets at amortized cost - noncurrent (Notes 4, 5 and 9)	-	-	50,000	-	Guarantee deposits - noncurrent (Note 18)	264,846	1	334,977	1
Property, plant and equipment (Notes 4 and 13)	13,054,498	53	14,469,804	59	Net defined benefit liability - noncurrent (Notes 4 and 19)	29,597	-	210,628	1
Right-of-use assets (Notes 4 and 14)	10,760	-	12,447	-	Total non-current liabilities	304,354	1	556,794	2
Intangible assets (Notes 4 and 15)	27,132	-	39,375	-	Total liabilities	2,944,737	12	3,486,893	14
Deferred income tax assets (Notes 4 and 23)	14,812	-	2,807	-	EQUITY (Notes 4, 20 and 26)				
Other noncurrent assets (Notes 4, 16 and 29)	115,470	-	115,948	1	Capital stock				
Total non-current assets	15,031,491	61	15,789,327	65	Common stock	5,688,459	23	5,688,459	23
					Capital surplus	2,539	-	2,282	-
					Retained earnings				
					Legal reserve	4,297,180	18	3,984,926	16
					Special reserve	157,984	1	-	-
					Unappropriated earnings	10,812,748	44	11,388,066	47
					Other equity	571,256	2	(157,984)	-
					Total equity	21,530,166	88	20,905,749	86
TOTAL	\$ 24,474,903	100	\$ 24,392,642	100	TOTAL	\$ 24,474,903	100	\$ 24,392,642	100

The accompanying notes are an integral part of the parent company only financial statements.

GREATEK ELECTRONICS INC.

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

	2023		2022	
	Amount	%	Amount	%
NET SALES (Notes 4, 21, 28 and 33)	\$ 13,565,089	100	\$ 15,948,963	100
OPERATING COSTS (Notes 11, 19, 22 and 28)	<u>10,723,312</u>	<u>79</u>	<u>11,711,083</u>	<u>73</u>
GROSS PROFIT	<u>2,841,777</u>	<u>21</u>	<u>4,237,880</u>	<u>27</u>
OPERATING EXPENSES (Notes 19, 22 and 28)				
Selling and marketing	53,069	-	66,331	-
General and administrative	240,407	2	267,541	2
Research and development	<u>241,676</u>	<u>2</u>	<u>251,795</u>	<u>2</u>
Total operating expenses	<u>535,152</u>	<u>4</u>	<u>585,667</u>	<u>4</u>
OPERATING INCOME	<u>2,306,625</u>	<u>17</u>	<u>3,652,213</u>	<u>23</u>
NONOPERATING INCOME AND EXPENSES (Notes 4 and 22)				
Interest income	73,422	1	36,467	-
Other income	129,243	1	142,586	1
Other gains and losses	22,933	-	204,803	1
Share of loss of subsidiaries (Notes 4 and 12)	<u>(19,367)</u>	<u>-</u>	<u>(7,137)</u>	<u>-</u>
Total nonoperating income and expenses	<u>206,231</u>	<u>2</u>	<u>376,719</u>	<u>2</u>
INCOME BEFORE INCOME TAX	2,512,856	19	4,028,932	25
INCOME TAX EXPENSE (Notes 4 and 23)	<u>515,732</u>	<u>4</u>	<u>870,762</u>	<u>5</u>
NET INCOME	<u>1,997,124</u>	<u>15</u>	<u>3,158,170</u>	<u>20</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 19)	2,526	-	(35,628)	-
Unrealized loss on investments in equity instruments designated as at fair value through other comprehensive income (Notes 4 and 20)	<u>729,240</u>	<u>5</u>	<u>(202,468)</u>	<u>(2)</u>
	<u>731,766</u>	<u>5</u>	<u>(238,096)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,728,890</u>	<u>20</u>	<u>\$ 2,920,074</u>	<u>18</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 3.51</u>		<u>\$ 5.55</u>	
Diluted	<u>\$ 3.47</u>		<u>\$ 5.44</u>	

The accompanying notes are an integral part of the parent company only financial statements.

GREATEK ELECTRONICS INC.

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

	Share Capital Issued and Outstanding		Capital Surplus	Retained Earnings			Other Equity	Total
	Share (Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Investments in Equity Instruments at Fair Value Through Other Comprehensive Income	
BALANCE, JANUARY 1, 2022	568,846	\$ 5,688,459	\$ 2,282	\$ 3,524,620	\$ -	\$ 11,570,060	\$ 44,484	\$ 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)
Net income for the year ended December 31, 2022	-	-	-	-	-	3,158,170	-	3,158,170
Other comprehensive income (loss) for the year ended December 31, 2022 , net of income tax	-	-	-	-	-	(35,628)	(202,468)	(238,096)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	3,122,542	(202,468)	2,920,074
BALANCE, DECEMBER 31, 2022	568,846	5,688,459	2,282	3,984,926	-	11,388,066	(157,984)	20,905,749
APPROPRIATION OF 2022 EARNINGS								
Legal reserve	-	-	-	312,254	-	(312,254)	-	-
Special reserve	-	-	-	-	157,984	(157,984)	-	-
Cash dividends to shareholders - NT\$3.7 per share	-	-	-	-	-	(2,104,730)	-	(2,104,730)
Capital surplus - donations from shareholders	-	-	257	-	-	-	-	257
Net income for the year ended December 31, 2023	-	-	-	-	-	1,997,124	-	1,997,124
Other comprehensive income (loss) for the year ended December 31, 2023 , net of income tax	-	-	-	-	-	2,526	729,240	731,766
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,999,650	729,240	2,728,890
BALANCE, DECEMBER 31, 2023	<u>568,846</u>	<u>\$ 5,688,459</u>	<u>\$ 2,539</u>	<u>\$ 4,297,180</u>	<u>\$ 157,984</u>	<u>\$ 10,812,748</u>	<u>\$ 571,256</u>	<u>\$ 21,530,166</u>

The accompanying notes are an integral part of the parent company only financial statements.

GREATEK ELECTRONICS INC.

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Current income before income tax	\$ 2,512,856	\$ 4,028,932
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation	3,078,510	3,077,198
Amortization	16,412	25,593
Net (gain) loss on fair value change of financial instruments designated as at fair value through profit or loss	(3,431)	20,727
Finance costs	233	184
Interest income	(73,422)	(36,467)
Dividend income	(82,600)	(75,888)
Share of loss of subsidiaries	19,367	7,137
Net gain on disposal of property, plant and equipment	(5)	(729)
Classification from property, plant and equipment to expenses	-	2
Recognition of inventory valuation and obsolescence losses	-	75,000
Net loss (gain) on foreign currency exchange	19,133	(44,192)
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss	30,427	31,250
Decrease in contract assets	141,801	12,764
Decrease in notes receivable	28,241	110,832
(Increase) decrease in accounts receivable	(437,771)	1,739,533
(Increase) decrease in accounts receivable from related parties	(228,227)	266,468
Decrease (increase) in inventories	418,638	(133,889)
Decrease in prepaid expenses and other current assets	82,571	8,790
(Decrease) increase in contract liabilities	(87,520)	35,382
(Decrease) increase in notes payable	(2,812)	3,217
Increase (decrease) in accounts payable	242,842	(963,555)
Decrease in accrued compensation to employees and remuneration to directors	(158,718)	(247,752)
Decrease in accrued expenses and other accounts payable	(196,893)	(118,470)
Decrease in net defined benefit liability	(178,505)	(76,448)
Cash generated from operations	5,141,127	7,745,619
Interest received	72,256	37,895
Interest paid	(233)	(184)
Income tax paid	(693,741)	(1,409,220)
Net cash provided by operating activities	4,519,409	6,374,110

(Continued)

GREATEK ELECTRONICS INC.

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

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash outflow on acquisition of subsidiary	\$ -	\$ (171,523)
Purchase of financial assets at fair value through other comprehensive income	-	(160,028)
Proceeds from financial assets at amortized cost	50,000	400,000
Acquisition of property, plant and equipment	(1,572,326)	(4,386,077)
Disposal of property, plant and equipment	5	1,037
Decrease (increase) in refundable deposits	478	(95)
Increase in intangible assets	(4,169)	(11,495)
Dividend received	<u>82,600</u>	<u>75,888</u>
Net cash used in investing activities	<u>(1,443,412)</u>	<u>(4,252,293)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in guarantee deposits	(66,861)	390,164
Repayment of the principal portion of lease liabilities	(1,627)	(1,396)
Cash dividends distributed	(2,104,730)	(2,844,230)
Donations from shareholders	<u>257</u>	<u>-</u>
Net cash used in financing activities	<u>(2,172,961)</u>	<u>(2,455,462)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>13,365</u>	<u>83,277</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	916,401	(250,368)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,796,761</u>	<u>4,047,129</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,713,162</u>	<u>\$ 3,796,761</u>

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

GREATEK ELECTRONICS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

1. GENERAL INFORMATION

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

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

Powertech Technology Inc. (PTI) acquired Greatek’s 44.09% ownership, pursuant to Greatek’s board approval on December 21, 2011. On the reelection of the directors and supervisors of Greatek, PTI holds a majority of the directors seats and become parent. PTI has 42.91% ownership of Greatek as of December 31, 2023 and 2022.

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

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

- a. Statement of compliance

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

- b. Basis of preparation

The 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.

When preparing these parent company only financial statements, the Corporation used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Corporation in its financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, the share of other comprehensive income of subsidiaries, and the related equity items, as appropriate, in these parent company only financial statements.

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. Foreign currencies

The parent company only financial statements are presented in the Corporation's functional currency, the New Taiwan dollar. In preparing the parent company only financial statements, transactions in currencies other than the Corporation'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. 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 are therefore recognized as profit or loss in the current financial year. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

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.

e. 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.

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of equity of subsidiaries.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

Profits or losses resulting from downstream transactions are eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. 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.

h. 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.

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.

i. 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.

j. 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.

k. 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.

l. 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.

m. 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 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 balance sheets.

n. 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.

o. 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.

p. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Critical Accounting Judgements

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	
	2023	2022
Bank deposits	<u>\$ 4,713,162</u>	<u>\$ 3,796,761</u>

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

	December 31	
	2023	2022
Bank deposits	0.55%-5.15%	0.31%-4.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
<u>Financial assets at FVTPL - current</u>		
Financial assets held for trading - current		
Non-derivative financial assets		
Mutual funds	\$ -	\$ 28,209
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	<u>1,978</u>	<u>1,009</u>
	<u>\$ 1,978</u>	<u>\$ 29,218</u>
		(Continued)
	December 31	
	2023	2022

Financial liabilities at FVTPL - current

Financial liabilities held for trading - current

Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	\$ 6	\$ 250 (Concluded)

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

	Currency	Maturity Date	Contract Amounts (In Thousands)
<u>December 31, 2023</u>			
Sell forward exchange contracts	USD to NTD	2024.01.11-2024.01.16	USD3,600 /NTD112,236

<u>December 31, 2022</u>			
Sell forward exchange contracts	USD to NTD	2023.01.11-2023.02.13	USD5,000 /NTD153,827

The Corporation entered into foreign exchange forward contracts during the 2023 and 2022 to manage exposures due to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for by using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

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

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

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	
	2023	2022
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ <u>16,338</u>	\$ <u>44,579</u>
<u>Accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 2,451,059	\$ 2,058,265
Less: Allowance for impairment loss	<u>(60,169)</u>	<u>(60,169)</u>
	\$ <u>2,390,890</u>	\$ <u>1,998,096</u>

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

The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivables. The expected credit losses on accounts receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Corporation's historical credit loss experience indicates different loss patterns for different customer segments, the provision for loss allowance based on past due status is therefore further distinguished according to the Corporation's different customer base.

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

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

December 31, 2023

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$ 2,442,316	\$ 7,206	\$ 149	\$ 126	\$ 1,262	\$ 2,451,059
Loss allowance (Lifetime ECL)	<u>(51,426)</u>	<u>(7,206)</u>	<u>(149)</u>	<u>(126)</u>	<u>(1,262)</u>	<u>(60,169)</u>
Amortized cost	<u>\$ 2,390,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,390,890</u>

December 31, 2022

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$ 2,003,644	\$ 46,853	\$ 7,233	\$ 535	\$ -	\$ 2,058,265
Loss allowance (Lifetime ECL)	<u>(5,548)</u>	<u>(46,853)</u>	<u>(7,233)</u>	<u>(535)</u>	<u>-</u>	<u>(60,169)</u>
Amortized cost	<u>\$ 1,998,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,998,096</u>

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1 and December 31	<u>\$ 60,169</u>	<u>\$ 60,169</u>

11. INVENTORIES

	December 31	
	2023	2022
Raw materials	\$ 887,483	\$ 1,286,983
Supplies	<u>116,309</u>	<u>135,447</u>
	<u>\$ 1,003,792</u>	<u>\$ 1,422,430</u>

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

	For the Year Ended December 31	
	2023	2022
Provision of inventory valuation and obsolescence losses	<u>\$ -</u>	<u>\$ 75,000</u>
Unallocated overheads	<u>\$ 898,842</u>	<u>\$ 703,356</u>
Sales of scrapes	<u>\$ (64,667)</u>	<u>\$ (79,034)</u>
Operating Costs	<u>\$ 10,723,312</u>	<u>\$ 11,711,083</u>

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

		December 31	
		2023	2022
Investments in subsidiaries			
Get-Team Tech Corporation		\$ 145,019	\$ 164,386
		Proportion of Ownership and Voting Rights	
		December 31	
		2023	2022
Name of Subsidiaries			
Unlisted companies			
Get-Team Tech Corporation		97.46%	97.46%

In October 2022, the Corporation acquired the shares of Get-Team Tech Corporation and obtained 97.46% ownership and disclosed in financial statements (see note 25).

The share of profit or loss and other comprehensive income of those subsidiaries for the years ended December 31, 2023 and 2022 was based on the subsidiaries' financial statements audited by the auditors for the same years.

13. PROPERTY, PLANT AND EQUIPMENT

For the Year Ended December 31, 2022										
	Land	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Installation	Construction in Progress	Spare Parts	Total
<u>Cost</u>										
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	91,009	724,236	1,027,987	368,939	3,673,160
Disposals	-	-	(1,909,185)	-	-	-	-	-	(369,799)	(2,278,984)
Reclassified	97	546,312	768,402	-	-	11,850	(780,254)	(546,409)	-	(2)
Balance, end of year	<u>1,972,406</u>	<u>4,809,687</u>	<u>19,832,471</u>	<u>25,439</u>	<u>150,221</u>	<u>641,935</u>	<u>819,844</u>	<u>1,983,196</u>	<u>258,547</u>	<u>30,493,746</u>
<u>Accumulated depreciation</u>										
Balance, beginning of year	-	2,236,853	12,504,832	11,592	71,251	402,304	-	-	-	15,226,832
Additions	-	251,485	2,383,883	3,409	17,619	49,591	-	-	369,709	3,075,786
Disposals	-	-	(1,908,877)	-	-	-	-	-	(369,709)	(2,278,676)
Balance, end of year	-	<u>2,488,338</u>	<u>12,979,838</u>	<u>15,001</u>	<u>88,870</u>	<u>451,895</u>	-	-	-	<u>16,023,942</u>
Net book value, end of year	<u>\$ 1,972,406</u>	<u>\$ 2,321,349</u>	<u>\$ 6,852,633</u>	<u>\$ 10,438</u>	<u>\$ 61,351</u>	<u>\$ 190,040</u>	<u>\$ 819,844</u>	<u>\$ 1,983,196</u>	<u>\$ 258,547</u>	<u>\$ 14,469,804</u>
For the Year Ended December 31, 2023										
	Land	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Installation	Construction in Progress	Spare Parts	Total
<u>Cost</u>										
Balance, beginning of year	\$ 1,972,406	\$ 4,809,687	\$ 19,832,471	\$ 25,439	\$ 150,221	\$ 641,935	\$ 819,844	\$ 1,983,196	\$ 258,547	\$ 30,493,746
Additions	-	234,517	347,082	-	15,383	58,824	285,869	382,624	337,218	1,661,517
Disposals	-	-	(4,896,067)	(810)	(37,645)	(110,320)	-	-	(337,861)	(5,382,703)
Reclassified	-	1,587,691	755,939	-	8,531	32,400	(796,870)	(1,587,691)	-	-
Balance, end of year	<u>1,972,406</u>	<u>6,631,895</u>	<u>16,039,425</u>	<u>24,629</u>	<u>136,490</u>	<u>622,839</u>	<u>308,843</u>	<u>778,129</u>	<u>257,904</u>	<u>26,772,560</u>
<u>Accumulated depreciation</u>										
Balance, beginning of year	-	2,488,338	12,979,838	15,001	88,870	451,895	-	-	-	16,023,942
Additions	-	398,646	2,257,688	3,097	18,490	61,041	-	-	337,861	3,076,823
Disposals	-	-	(4,896,067)	(810)	(37,645)	(110,320)	-	-	(337,861)	(5,382,703)
Balance, end of year	-	<u>2,886,984</u>	<u>10,341,459</u>	<u>17,288</u>	<u>69,715</u>	<u>402,616</u>	-	-	-	<u>13,718,062</u>
Net book value, end of year	<u>\$ 1,972,406</u>	<u>\$ 3,744,911</u>	<u>\$ 5,697,966</u>	<u>\$ 7,341</u>	<u>\$ 66,775</u>	<u>\$ 220,223</u>	<u>\$ 308,843</u>	<u>\$ 778,129</u>	<u>\$ 257,904</u>	<u>\$ 13,054,498</u>

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

Buildings	
Main plants	26 years
Mechanical and electrical power equipment	2-11 years
Others	2-51 years
Machinery and equipment	2-10 years
Transportation equipment	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	
	2023	2022
<u>Carrying amounts</u>		
Machinery and Equipment	\$ 10,760	\$ 12,447
	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	\$ -	\$ 5,750
<u>Depreciation charge for right-of-use assets</u>		
Machinery and Equipment	\$ 1,687	\$ 1,412

b. Lease liabilities

	December 31	
	2023	2022
<u>Carrying amounts</u>		
Current	\$ 1,521	\$ 1,627
Non-current	\$ 9,517	\$ 11,038

Range of discount rate for lease liabilities was as follows:

	December 31	
	2023	2022
Machinery and equipment	1.695%-2.300%	1.695%-2.300%

c. Material lease-in activities and terms

The Corporation leases certain machinery equipment for the use of assembly and testing service with lease terms of 14 years. The Corporation 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, 2022
	Computer Software
<u>Cost</u>	
Balance, beginning of year	\$ 147,155
Additions	11,495
Disposals	<u>(65,958)</u>
Balance, end of year	<u>92,692</u>
<u>Accumulated amortization</u>	
Balance, beginning of year	\$ 93,682
Additions	25,593
Disposals	<u>(65,958)</u>
Balance, end of year	<u>53,317</u>
Net book value, end of year	<u>\$ 39,375</u>
	For the Year Ended December 31, 2023
	Computer Software
<u>Cost</u>	
Balance, beginning of year	\$ 92,692
Additions	4,169
Disposals	<u>(32,349)</u>
Balance, end of year	<u>64,512</u>
<u>Accumulated amortization</u>	
Balance, beginning of year	53,317
Additions	16,412
Disposals	<u>(32,349)</u>
Balance, end of year	<u>37,380</u>
Net book value, end of year	<u>\$ 27,132</u>

Computer software was amortized on a straight-line basis at 5 years.

16. OTHER ASSETS

	December 31	
	2023	2022
<u>Current</u>		
Tax overpaid	\$ 43,923	\$ 131,520
Inventory of supplies	30,524	25,552
Other receivables	19,435	16,786
Tax refund receivables	13,189	17,820
Payment on behalf of others	6,580	4,791
Prepaid insurances	6,464	4,603
Others (a)	<u>8,017</u>	<u>8,465</u>
	<u>\$ 128,132</u>	<u>\$ 209,537</u>
<u>Non-current</u>		
Pledged deposits (b)	\$ 108,700	\$ 108,700
Refundable deposits	<u>6,770</u>	<u>7,248</u>
	<u>\$ 115,470</u>	<u>\$ 115,948</u>

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

b. Pledge deposits are guarantee deposits for domestic sales and gas volume in CPC Corporation.

17. OTHER LIABILITIES

	December 31	
	2023	2022
<u>Current</u>		
Accrued expenses		
Bonus	\$ 702,264	\$ 857,476
Labor and health insurance	60,503	57,869
Utilities	48,622	39,681
Indemnification payable (a)	35,664	131,408
Others (b)	<u>223,615</u>	<u>170,450</u>
	<u>1,070,668</u>	<u>1,256,884</u>
Other current liabilities		
Behalf of the collection	18,604	21,879
Temporary receipts	<u>14,804</u>	<u>22,206</u>
	<u>33,408</u>	<u>44,085</u>
	<u>\$ 1,104,076</u>	<u>\$ 1,300,969</u>

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

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

18. GUARANTEE DEPOSITS

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

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

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

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

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

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

Movements in net defined benefit liability were as follows:

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

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

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

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

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

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

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	
	2023	2022
The expected contributions to the plan for the next year	\$ 151	\$ 8,163
The average duration of the defined benefit obligation	2 years	11 years

20. EQUITY

a. Ordinary shares

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

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

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

b. Capital surplus

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

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

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, the Corporation should make appropriations from its net income in the following order:

- 1) Deducted for accumulated deficits. (include current year's adjusted undistributed earnings)
- 2) Appropriate the 10% as the legal reserve. However when the legal reserve amounts to the authorized capital, this shall not apply.
- 3) Appropriate or reverse the special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge.

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

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

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.

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

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

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

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

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

d. Special reserve

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

e. Other equity items

Unrealized gain (loss) on financial assets at FVTOCI

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

21. REVENUE

a. Contract information

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Revenue from assembly service	\$ 11,699,209	\$ 13,460,044
Revenue from testing service	<u>1,865,880</u>	<u>2,488,919</u>
	<u>\$ 13,565,089</u>	<u>\$ 15,948,963</u>

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

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivables (Included related parties) (Note 10)	<u>\$ 2,804,785</u>	<u>\$ 2,212,005</u>	<u>\$ 4,346,371</u>
Contract assets-current			
Revenue from services	\$ 741,563	\$ 883,364	\$ 896,128
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
Contract assets-current	<u>\$ 741,563</u>	<u>\$ 883,364</u>	<u>\$ 896,128</u>
Contract liabilities- current			
Revenue from services	<u>\$ 112,686</u>	<u>\$ 200,206</u>	<u>\$ 164,824</u>

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

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

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

c. Disaggregation of revenue

	For the Year Ended December 31	
	2023	2022
<u>Primary geographical markets</u>		
Taiwan (The location of the Corporation)	\$ 8,300,704	\$ 9,761,936
Asia	2,559,656	2,373,867
America	1,580,045	2,348,108
Europe	1,124,647	1,464,754
Africa	<u>37</u>	<u>298</u>
	<u>\$ 13,565,089</u>	<u>\$ 15,948,963</u>

22. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	\$ 72,811	\$ 34,090
Financial assets measured at amortized cost	<u>611</u>	<u>2,377</u>
	<u>\$ 73,422</u>	<u>\$ 36,467</u>

b. Other income

	For the Year Ended December 31	
	2023	2022
Dividend income	\$ 82,600	\$ 75,888
Others	<u>46,643</u>	<u>66,698</u>
	<u>\$ 129,243</u>	<u>\$ 142,586</u>

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net gain on foreign currency exchange	\$ 31,050	\$ 255,525
Net loss arising on financial instruments classified as held for trading	(7,436)	(42,309)
Finance costs	(233)	(184)
Others	<u>(448)</u>	<u>(8,229)</u>
	<u>\$ 22,933</u>	<u>\$ 204,803</u>

d. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	\$ 3,036,292	\$ 3,042,632
Operating expenses	<u>42,218</u>	<u>34,566</u>
	<u>\$ 3,078,510</u>	<u>\$ 3,077,198</u>
An analysis of amortization by function		
Operating costs	\$ 9,476	\$ 18,142
Selling and marketing	-	-
General and administrative	1,709	1,484
Research and development	<u>5,227</u>	<u>5,967</u>
	<u>\$ 16,412</u>	<u>\$ 25,593</u>

e. Employee benefit expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits (Note 19)		
Defined contribution plans	\$ 112,792	\$ 119,791
Defined benefit plans	<u>(75,798)</u>	<u>2,588</u>
	36,994	122,379
Other employee benefits	<u>3,408,760</u>	<u>3,828,792</u>
Total employee benefit expense	<u>\$ 3,445,754</u>	<u>\$ 3,951,171</u>
An analysis of employee benefit expense by function		
Operating costs	\$ 3,051,966	\$ 3,500,327
Operating expenses	<u>393,788</u>	<u>450,844</u>
	<u>\$ 3,445,754</u>	<u>\$ 3,951,171</u>

f. Employees' compensation and remuneration to directors

The Corporation accrued employees' compensation and remuneration of directors at the rates between 9% to 15% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2023 and 2022 which have been approved by the Company's board of directors on February 23, 2024 and February 24, 2023, respectively, were as follows:

Accrual rate

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

Amount

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

If there is a change in the proposed amounts after the annual 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 financial statements for the year ended December 31, 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors in 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	\$ 218,213	\$ 438,053
Foreign exchange losses	<u>(187,163)</u>	<u>(182,528)</u>
Net gains	<u>\$ 31,050</u>	<u>\$ 255,525</u>

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	
	2023	2022
Current tax		
In respect of the current year	\$ 489,603	\$ 832,274
Income tax on unappropriated earnings	22,500	-
Adjustments for prior periods	15,391	22,294
Deferred tax		
In respect of the current year	<u>(11,762)</u>	<u>16,194</u>
Income tax expenses recognized in profit or loss	<u>\$ 515,732</u>	<u>\$ 870,762</u>

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

	For the Year Ended December 31	
	2023	2022
Profit before income tax	<u>\$ 2,512,856</u>	<u>\$ 4,028,932</u>
Income tax expense calculated at the statutory rate (20%)	\$ 502,571	\$ 805,787
Nondeductible expenses in determining taxable income	(12,732)	(16,000)
Temporary differences	(11,998)	58,681
Income tax on unappropriated earnings	22,500	-
Adjustments for prior years' tax	<u>15,391</u>	<u>22,294</u>
Income tax recognized in profit or loss	<u>\$ 515,732</u>	<u>\$ 870,762</u>

b. Current tax liabilities

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

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Balance, Beginning of Year	The Movements of Year	Balance, End of Year
<u>Deferred Tax Assets</u>			
Temporary difference			
Unrealized foreign exchange losses	<u>\$ 2,807</u>	<u>\$ 12,005</u>	<u>\$ 14,812</u>
<u>Deferred Tax Liabilities</u>			
Temporary difference			
Financial instruments classified as held for trading	<u>\$ 151</u>	<u>\$ 243</u>	<u>\$ 394</u>

For the year ended December 31, 2022

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

(Continued)

	Balance, Beginning of Year	The Movements of Year	Balance, End of Year
<u>Deferred Tax Liabilities</u>			
Temporary difference			
Financial instruments classified as held for trading	\$ 6,189	\$ (6,038)	\$ 151 (Concluded)

d. Income tax assessments

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

24. EARNINGS PER SHARE

Unit: NT\$ Per Share

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

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

Net Profit for the Periods

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

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

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

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

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

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

26. CAPITAL MANAGEMENT

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

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

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

27. FINANCIAL INSTRUMENTS

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

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

December 31, 2023

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

December 31, 2022

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

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

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

1) Fair value hierarchy

December 31, 2023

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

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

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

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

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

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)		
Held for trading	\$ 1,978	\$ 29,218
Financial assets at amortized cost (Note 1)	7,706,093	6,243,575
Financial assets at FVTOCI		
Equity instruments	1,663,800	934,560
<u>Financial liabilities</u>		
Fair value through profit or loss (FVTPL)		
Held for trading	6	250
Amortized cost (Note 2)	1,411,644	1,119,921

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

The Corporation had foreign currency sales and purchases, which exposed the Corporation to foreign currency risk. Approximately 74% and 65% of the Corporation's sales were denominated in currencies other than the functional currency of the Corporation entity making the sale, whilst almost both 15% of costs were denominated in the Corporation entity's non-functional currency for the year ended December 31, 2023 and 2022. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

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

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

Sensitivity analysis

The Corporation was mainly exposed to the currency USD. The sensitivity analysis included currency USD denominated monetary items at the end of the reporting period. For a 1% strengthening and weakening of New Taiwan dollars against US dollars, the Corporation's pre-tax profit for the year ended December 31, 2023 and 2022 would decrease/increase by \$18,602 thousand and \$15,296 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	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 4,644,417	\$ 3,291,303
Cash flow interest rate risk		
Financial assets	177,445	614,158

Sensitivity analysis

If interest rates had been 0.5% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the year ended December 31, 2023 and 2022 would increase/decrease by \$887 thousand and \$3,071 thousand, respectively, which was mainly attributable to the Corporation's exposure to interest rates on its variable-rate net assets.

c) Other price risk

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

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 1% higher/lower, the Corporation's pre-tax profit for the year ended December 31, 2022 would increase/decrease by \$282 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, 2023 and 2022 would increase/decrease by \$16,638 thousand and \$9,346 thousand, respectively, as a result of the changes in fair value of financial instruments classified as FVTOCI.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk which will cause a financial loss to the Corporation due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the condensed 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, 2023

	On Demand or Less than 3 Month	3-6 Months	6 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Notes and accounts payable	\$ 669,103	\$ -	\$ -	\$ -	\$ -
Lease liability	465	420	840	4,980	5,480
Payables to equipment suppliers	248,335	-	-	-	-
Guarantee deposits	17,655	17,655	35,312	264,830	16
Other payables	<u>158,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,094,296</u>	<u>\$ 18,075</u>	<u>\$ 36,152</u>	<u>\$ 269,810</u>	<u>\$ 5,496</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Guarantee deposits	\$ 70,622	\$ 264,830	\$ -	\$ -	\$ -	\$ 16
Lease liabilities	<u>1,725</u>	<u>4,980</u>	<u>4,240</u>	<u>1,240</u>	<u>-</u>	<u>-</u>
	<u>\$ 72,347</u>	<u>\$ 269,810</u>	<u>\$ 4,240</u>	<u>\$ 1,240</u>	<u>\$ -</u>	<u>\$ 16</u>

December 31, 2022

	On Demand or Less than 3 Month	3-6 Months	6 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Notes and accounts payable	\$ 435,704	\$ -	\$ -	\$ -	\$ -
Lease liability	465	465	930	5,640	6,545
Payables to equipment suppliers	161,826	-	-	-	-
Guarantee deposits	17,630	17,630	35,258	282,072	52,905
Other payables	<u>108,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 724,521</u>	<u>\$ 18,095</u>	<u>\$ 36,188</u>	<u>\$ 287,712</u>	<u>\$ 59,450</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Guarantee deposits	\$ 70,518	\$ 282,072	\$ 52,889	\$ -	\$ -	\$ 16
Lease liabilities	<u>1,860</u>	<u>5,640</u>	<u>4,825</u>	<u>1,720</u>	<u>-</u>	<u>-</u>
	<u>\$ 72,378</u>	<u>\$ 287,712</u>	<u>\$ 57,714</u>	<u>\$ 1,720</u>	<u>\$ -</u>	<u>\$ 16</u>

b) Liquidity of derivative financial liabilities

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

December 31, 2023

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

December 31, 2022

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

28. TRANSACTIONS WITH RELATED PARTIES

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

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

a. Related party name and relationship

<u>Related Party Name</u>	<u>Relationship with the Corporation</u>
Powertech Technology Inc.	Parent entity
Get-Team Tech Corporation	Subsidiary (The related party of the Corporation since October 5, 2022.)
Realtek Semiconductor Corp.	Other related parties
Realtek Singapore Private Limited	Other related parties
Raymx Microelectronics Corp.	Other related parties
Powertech Technology (Suzhou) Pte Ltd.	Fellow subsidiaries

b. Revenue

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

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

c. Purchase

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

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

d. Contract assets

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

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

e. Manufacturing expenses and operating expenses

Account Items	Related Parties Types	For the Year Ended December 31	
		2023	2022
Manufacturing expenses	Subsidiary	\$ 115,220	\$ 23,742
	Parent entity	<u>5,946</u>	<u>15,006</u>
		<u>\$ 121,166</u>	<u>\$ 38,748</u>
Operating expenses	Parent entity	<u>\$ 270</u>	<u>\$ -</u>

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

f. Trade receivables from related parties

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

g. Other receivables

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

h. Payables to related parties

Account Items	Related Parties Types	December 31	
		2023	2022
Trade payables	Subsidiary	<u>\$ 31,552</u>	<u>\$ 34,600</u>

i. Accrued expenses and other current liabilities

Account Items	Related Parties Types	December 31	
		2023	2022
Accrued expenses and other current liabilities	Parent entity	\$ 1,822	\$ 1,589
	Subsidiary	<u>697</u>	<u>-</u>
		<u>\$ 2,519</u>	<u>\$ 1,589</u>

j. Compensation of key management personnel

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

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

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged as collateral mainly for guarantee deposits for domestic sales and gas volume in CPC Corporation.

	December 31	
	2023	2022
Pledge deposits (classified as other asset - noncurrent)	<u>\$ 108,700</u>	<u>\$ 108,700</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencie of the Corporation at December 31,2023 was as follows:

a. Significant unrecognized commitments

- 1) In April 2022, the Corporation signed a contract worth \$414,000 thousand with Jian Ming Contractor Co., Ltd. to set up a dormitory. As of December 31,2023, the Corporation has paid a total of \$372,600 thousand.
- 2) In July 2022, the Corporation signed a contract worth \$418,000 thousand with Jiu Han System Technology Co., Ltd. to set up MEP systems of the dormitory. As of December 31,2023, the Corporation has paid a total of \$376,200 thousand.

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

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

	December 31, 2023		
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 78,328	30.705 (USD:NTD)	<u>\$ 2,405,075</u>
Non-monetary items			
Derivative instruments			
USD	3,300	30.629 (USD:NTD)	<u>\$ 1,978</u>
<u>Financial liabilities</u>			
Monetary items			
USD	17,744	30.705 (USD:NTD)	\$ 544,838
JPY	119,170	0.2172 (JPY:NTD)	<u>26,001</u>
			<u>\$ 570,839</u>
Non-monetary items			
Derivative instruments			
USD	300	30.629 (USD:NTD)	<u>\$ 6</u>

	December 31, 2022		
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 68,766	30.660 (USD:NTD)	<u>\$ 2,108,361</u>
Non-monetary items			
Derivative instruments			
USD	2,500	30.613 (USD:NTD)	<u>\$ 1,009</u>
<u>Financial liabilities</u>			
Monetary items			
USD	18,859	30.690 (USD:NTD)	\$ 578,784
JPY	171,765	0.2344 (JPY:NTD)	40,262
EUR	34	32.920 (EUR:NTD)	<u>1,103</u>
			<u>\$ 620,149</u>
Non-monetary items			
Derivative instruments			
USD	2,500	30.613 (USD:NTD)	<u>\$ 250</u>

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange (gains) were \$31,050 thousand and \$255,525 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities.

32. SEPARATELY DISCLOSED ITEMS

Information about significant transactions and investees:

- a. Loans provided to other parties: None.
- b. Endorsement/guarantee provided: None.
- c. Marketable securities held: Table 1 (attached).
- d. Purchases or sales of the same marketable securities amounting to at least NT\$300 million or 20% of the paid-in capital: None.
- e. Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
- f. Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital: None.
- g. Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: Table 2 (attached).
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3 (attached)

- i. Derivative transactions: Note 7.
- j. Names, locations, and related information of investees over which the Corporation exercises significant influence: Table 4 (attached).
- k. Information on investment in mainland China: None.
- l. Information of major shareholders: Table 5 (attached).

TABLE 1**GREATEK ELECTRONICS INC.****MARKETABLE SECURITIES HELD****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares (Thousands)	Carrying Value	% of Ownership	Fair Value	
Greatek Electronics Inc.	<u>Bond</u> P08 Taipower 3A	-	Financial assets at amortized cost – current	50	\$ 50,000	-	\$ 50,000	Note 1
	<u>Stock</u> Powertech Technology Inc.	Parent entity	Financial assets at fair value through other comprehensive profit or loss - noncurrent	11,800	1,663,800	2	1,663,800	Note 2
	SAMHOP Microelectronics Corp.	-	Financial assets at fair value through profit or loss - noncurrent	268	-	3	-	Note 3
	Terawins Inc.	-	Financial assets at fair value through profit or loss - noncurrent	643	-	2	-	Note 3
	Airwave Technologies Inc.	-	Financial assets at fair value through profit or loss - noncurrent	93	-	1	-	Note 3

Note 1: The fair value was based on trading market in hundreds of new Taiwan dollars as of December 31, 2023.

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

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

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

GREATEK ELECTRONICS INC.

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Greatek Electronics Inc.	Realtek Semiconductor Corp.	Parent company of the corporate director	Sale	\$ 898,007	7	Net 60 days from monthly closing dates	Note	-	\$ 305,491	11	-
	Realtek Singapore Private Limited	Same parent company with the corporate director	Sale	338,587	2	Net 60 days from monthly closing dates	Note	-	52,507	2	-
	Powertech Technology Inc.	Parent company	Sale	109,643	1	Net 90 days from monthly closing dates	Note	-	38,504	1	-

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

GREATEK ELECTRONICS INC.**RECEIVABLE FROM RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Greatek Electronics Inc.	Realtek Semiconductor Corp.	Parent company of the corporate director	\$ 305,491	4.58	\$ -	-	\$ 97,053	\$ -

TABLE 4**GREATEK ELECTRONICS INC.****NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEs OVER WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	% of Ownership	Carrying Value			
Greatek Electronics Inc.	Get-Team Tech Corporation	Hsinchu	Metal plating on semiconductor lead frame	\$ 171,523	\$ 171,523	7,796,498	97.46	\$ 145,019	\$ (13,486)	\$ (19,367)	Subsidiary

TABLE 5**GREATEK ELECTRONICS INC.****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023**

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

Chapter 6. If the Company or its Affiliates Experienced Financial Difficulties in the Most Recent Year, up to the Date of the Annual Report Publication, the Annual Report Shall Explain How Said Difficulties Will Affect the Company's Financial Situation:

None.

Review and Analysis of Financial Position and Financial Performance Review and Risk Evaluations

Chapter 1 Financial Position

Main reasons and effects for material changes in asset, liabilities, and shareholders' equity in the most Recent two years, future response measures shall be described in case of material impact.

Unit: NT\$ thousands

Item \ Year	2022	2023	Changes	
			Amount	%
Current Assets	8,657,344	9,472,652	815,308	9.42
Property, Plant and Equipment	14,516,540	13,115,915	(1,400,625)	(9.65)
Other Assets	1,258,351	1,924,089	665,738	52.91
Total Asset	24,432,235	24,512,656	80,421	0.33
Current Liabilities	2,927,106	2,644,685	(282,421)	(9.65)
Total Liabilities	3,523,341	2,979,851	(543,490)	(15.43)
Capital	5,688,459	5,688,459	-	-
Capital Surplus	2,282	2,539	257	11.26
Retained Earnings	15,372,992	15,267,912	(105,080)	(0.68)
Total equity attributable to shareholders of the Parent	20,905,749	21,530,166	624,417	2.99
Non-controlling interests	3,145	2,639	(506)	(16.09)
Total Shareholders' Equity	20,908,894	21,532,805	623,911	2.98
Analysis and description of increase/decrease: Increase in other assets is mainly attributable to the appreciation of the market value of long-term investments. Major influencer: None.				

Note: Source of financial information comes from consolidated financial statements prepared in accordance with IFRSs and audited and attested by CPA.

Chapter 2 Financial Performance

- I. Main reasons for material changes in operating revenue, operating net income, and pretax profit in the most recent two years

Unit: NT\$ thousands

Item \ Year	2022	2023	Increase/decrease	
			Amount	%
Operating Revenue	15,950,309	13,570,076	(2,380,233)	(14.92)
Operating Costs	11,720,008	10,740,105	(979,903)	(8.36)
Gross Profit	4,230,301	2,829,971	(1,400,330)	(33.10)
Operating Expenses	587,621	546,162	(41,459)	(7.06)
Income from Operations	3,642,680	2,283,819	(1,358,861)	(37.30)
Other Income	180,117	204,802	24,685	13.70
Other Gains (Losses)	204,258	22,133	(182,125)	(89.16)
Net Income Before Tax	4,027,055	2,510,754	(1,516,301)	(37.65)
Income Tax Expenses	869,071	514,136	(354,935)	(40.84)
Net Income	3,157,984	1,996,618	(1,161,366)	(36.78)
Analysis and description of increase/decrease: 1. The decrease in net revenue, gross profit, operating profit, pre-tax profit, income tax, and net profit were mainly due to the slowdown in the semiconductor industry and customers reducing their inventory levels, resulting in a decline in capacity utilization. 2. The increase in other gains was mainly due to the increase in foreign exchange gains.				

Note: Source of financial information comes from consolidated financial statements prepared in accordance with IFRSs and audited and attested by CPA.

II. Expected sales volume and basis, and possible effects to the Company's future finance and operations and response measures.

In February 2024, Taiwan Semiconductor Industry Association (TSIA) and Industry, Science & Technology International Strategy Center (ISTI), Industrial Technology Research Institute (ITRI) predicted that Taiwan's packaging and testing industry's 2024 output value is expected to reach NT\$650.8 billion, a 11.5% increase of 2023 output value of NT\$583.7 billion.

Greatek has made the following sales forecast for 2024 based on industry prospect, future market demands, and Greatek's capacity:

Sales item	Estimated sales volume
Packaging	Approximately 8.3 billion units
W/T testing	Approximately 450,000 units
F/T testing	Approximately 5.0 billion units
WLP	Approximately 180,000 units
WLCSP	Approximately 400 million units

Chapter 3 Cash Flow

I. Analysis and Description of Changes in Cash Flow for the Current Year:

Item \ Year	2022	2023	Ratio of increase (decrease) (%)
Cash Flow Ratio	218.22	170.95	(21.66)
Cash Flow Adequacy Ratio	0.96	1.01	5.21
Cash Flow Reinvestment Ratio	9.45	6.78	(28.25)
Analysis and description of increase/decrease: Decreases in cash flow and cash re-investment ratio are mostly attributable to the slowdown in the semiconductor industry and the decline in profitability, leading to a decrease in cash flow from operating activities compared to 2022.			

II. Improvement Plan for Insufficient Liquidity: Not applicable.

III. Cash Flow Analysis for the Following Year:

Unit: NT\$ thousands

Cash Balance at the Beginning of the Year①	Expected Annual Net Cash Inflow from Operating Activities②	Expected Annual Net Cash Outflow ③	Expected Cash Balance (deficit) ① + ② - ③	Remedial Measures for Expected Cash Deficit	
				Investment Plan	Financing Plan
4,727,979	3,914,160	4,432,236	4,209,903	-	-
1. Analysis of changes in Cash Flow:					
(1) Operating activities: Greatek is expected to generate net income; therefore, net cash inflow from operating activities is expected.					
(2) Investing activities: mostly from equipment purchases.					

(3) Financing activities: mostly from distribution of cash dividends.
2. Remedial measures and analysis of liquidity deficit:
None.

Chapter 4 The Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year

I. Utilization of major capital expenditure and sources of capital: Unit: NT\$ thousands

Project	Actual or expected sources of fund	Actual or expected date of completion	Total funding required	Actual or expected capital utilization		
				2022	2023	2024
Plant	Greatek's own funds	2022	94,973	94,973	-	-
Building, Construction in Progress	Greatek's own funds	2022	1,325,186	1,325,186	-	-
Equipment and others	Greatek's own funds	2022	1,884,061	1,884,061	-	-
Building, Construction in Progress	Greatek's own funds	2023	617,141	-	617,141	-
Equipment and others	Greatek's own funds	2023	729,194	-	729,194	-
Building, Construction in Progress	Greatek's own funds	2023	224,161	-	-	224,161
Equipment and others	Greatek's own funds	2023	2,458,991	-	-	2,458,991

Note: The actual or expected capital utilization indicated in this table refers to increases in Property, Plant and Equipment, and does not include replacement parts.

II. Expected Benefits:

Expected increase in production/sales volume, value, and gross profit: Unit; Volume: 1,000 units; Amount: NT\$ thousands

Year	Item	Production volume	Sales volume	Sales value	Gross profit
2024	IC packaging and testing	162,319	162,319	224,000	43,478
	Wafer level packaging	0	0	0	0

Descriptions of other benefits: Enhancement in quality and technologies for products including IC packaging and testing.

Chapter 5 Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plans for Improving Reinvestment Profitability, and Investment Plans for the Coming Year:

The Company invested in Get-Team Tech Corp. in October 2022 mainly to expand the plating process capacity to stabilize and expand the packaging capacity. Please refer to Related Businesses in Special Disclosure for the operations of the Company's investees in 2023.

Chapter 6 Risk Analysis and Assessment

I. Effects of interest rate and exchange rate fluctuations and changes in inflation rate on Greatek's profit and loss, and future response measures:

(I) Effect of changes in interest rate on Greatek's profit and loss and future response measures

1. Effects of changes in interest rate on profit and loss

Unit: NT\$ thousands

	2022	2023
Interest Income (A)	36,592	73,788
Net Operating Revenue (B)	15,950,309	13,570,076
(A)/(B)	0.23%	0.54%
Interest Expenses (C)	775	1,027
Net Operating Revenue (D)	15,950,309	13,570,076
(C)/(D)	-	-

Greatek's interest income in 2022 and 2023 were NT\$36,592 thousand and NT\$73,788 thousand, respectively; accounting for 0.23% and 0.54% of the net operating revenues. The interest rates in 2022 and 2023 were 0.31% to 0.435% and 0.55% to 5.15%, respectively. As the interest income did not constitute a significant percentage of the years' respective operating revenues, changes in interest rate will have limited effects on the profit and loss.

Greatek did not have interest expenses on bank borrowings in 2022 and 2023; therefore, the changes in interest rate will have limited effects on the profit and loss.

2. Future response measures

- (1) Dedicated personnel will pay close attention to information on changes in interest rate to stay on top of interest rate trends.
- (2) Greatek will prioritize the adoption of financing proposals with lower interest rates when the need for working capital arises.
- (3) Capital utilization will take both safety and yield into consideration during times of low interest rate to make the best funding decisions.

(II) Effect of changes in exchange rate on Greatek's profit and loss and future response measures

1. Effects of changes in exchange rate on profit and loss

Unit: NT\$ thousands

	2022	2023
Revenues denominated in foreign currencies	10,411,769	10,010,659
Net operating revenue (B)	15,950,309	13,570,076
(A)/(B)	65.28%	73.77%
Purchases made in foreign currencies	2,113,913	1,649,111
Net purchases (D)	4,399,413	3,325,463
(C)/(D)	48.05%	49.59%

Greatek's foreign currency revenues in the most recent two years accounted for 65.28% and 73.77% of the net operating revenues in 2022 and 2023, respectively. Most of our quotations are offered in USD; therefore, changes in exchange rate do pose a certain level of effect on our operating revenue.

Greatek's foreign currency purchases in 2022 and 2023 accounted for 48.05% and 49.59% of net purchases, respectively. Due to cost, lead time, and quality considerations, Greatek has purchased equipment and materials including lead

frames, epoxy molding compound (EMC), gold wires and copper wires from overseas, whose quotes are mostly denominated in the USD and JPY. Therefore, Changes in exchange rate do pose a certain degree of effect on our profitability.

2. Future response measures

- (1) Dedicated personnel will pay close attention to information on changes in exchange rate to stay on top of foreign exchange rate trends.
- (2) At times of exchange rate fluctuations, Greatek will trade currencies at proper times to reduce the unfavorable effects from changes in exchange rate.
- (3) Effects from changes in exchange rate will be factored in our sales quotes; when purchasing raw materials, Greatek will also negotiate prices with suppliers to adjust the material costs and ensure profitability.
- (4) Use derivative trading such as forward exchange contracts to hedge against assets or liabilities denominated in foreign currencies and the expected exchange rate risks arising from transactions.

(III) Effect of inflation on Greatek's profit and loss and future response measures

The International Monetary Fund (IMF), in its January 2024 "World Economic Outlook" report, estimated the global gross domestic product (GDP) growth rate to be 3.1% in 2023. The IMF also predicted global growth rates of 3.1% for 2024 and 3.2% for 2025. These forecasts are primarily attributed to the stronger-than-expected resilience of economies such as the United States and the fiscal support measures implemented by China. The IMF also pointed out that in most regions, the inflation has fallen faster than expected, thanks to the easing of supply-side problems and the implementation of tight monetary policies. It is estimated that the global inflation rate will decrease to 5.8% in 2024 and further decline to 4.4% in 2025.

As purchasing prices have increased from inflation, Greatek will continue to observe changes in the CPI and pay attention to the movements in the international raw material market prices so as to formulate strategies to control costs and inventories. Greatek continues to maintain positive interactions with both suppliers and customers to effectively reduce the effects of inflation on the Company's profit and loss.

II. Greatek's policy regarding high risk investments, highly leveraged investments, provisions of loans, endorsements and/or guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. As of the date of publication of the Annual Report, Greatek has not engaged in any high-risk, high-leverage investment, or provided loans, endorsements and/or guarantees.
2. In 2023 and as of the date of publication of the Annual Report, the only derivative transactions Greatek has engaged are short-term foreign exchange transactions with the purpose of hedging against exchange rate risks from net assets or net liabilities denominated in foreign currencies. These transactions are for hedging in nature, and Greatek has not engaged in any speculative transaction and no material profits or losses will result from these transactions.

III. Future R&D Plan and Expected R&D Expenses:

In response to changes in IC packaging technologies and the customers' needs for IC design, Greatek's key Future R&D Plan :

- (1) High Pin Count BGA with a PKG size 14x14 or above.
- (2) MIS-2 layer Flip Chip and Wire Bond type products.
- (3) Hybrid / MIS Package products.
- (4) Third generation semiconductor products.

- (5) PMIC products.
- (6) 12" FOW products.
- (7) (7) Thin Package BGA (0.6mm PKG thickness).
- (8) QFN PKG $\geq 14 \times 14$ mm.
- (9) FCCSP/BGA automotive products.
- (10) (10) FCCSP products that use 5nm wafer.
- (11) (11) 2.5mil Cu Wire ability.
- (12) (12) SIP BGA/ LGA products.
- (13) (13) SIC products.
- (14) Tri-Temp Test ability.

R&D expenses in 2023 amounted to NT\$248 million, accounting for 1.8% of the annual revenues. The 2024 R&D expense will be on par with the previous year's level.

IV. Effects on the Company's finance and operations from domestic and overseas major policies and legal environment changes, and response measures:

Greatek consults relevant units including attorneys and CPAs for matters related to domestic and overseas important policies and legal environment changes. The Company also asks these parties to evaluate, recommend and plan response measures accordingly to comply with laws and to reduce the effects on our finance and operations.

V. Effects on the Company's finance and operations from changes in technology and industry, and response measures:

As mobile applications become more diversified, such as HD video services, social networks, and cloud-based services, the era of online users' big data is coming. The wireless network communications technologies have transformed to LTE, 5G, and even 6G, bringing wider bandwidth and more convenience and promoting technological applications in living, transportation, entertainment, work, education, and medical healthcare and more. These trends have also driven consumers to spend more on consumer electronic products. With the birth of the Internet of Things (IoT) and the wearable devices become trending, smart vehicles, smart healthcare, artificial intelligence (AI), and high-speed computing have formed new applications market and opportunities. Furthermore, as the pandemic has changed people's lives and remote working is enabled by technology, these factors all bring about the opportunities for technology to change human life.

As the semiconductor industry continues to prosper and to increase its capital expenditures, with an on-going competition over the latest packaging technologies, these demands have led to the rise of new packaging technologies such as SiP and BGA, which happen to be the areas that Greatek consider investing in. The R&D expenses do not pose unfavorable effects on Greatek's finance and operations, and will offer significant benefits toward our future business development.

Since the online community formed by 5G and AIoT(integration between artificial intelligence and the Internet of Things) will cover all aspects of life, the Internet will become more of a threat without the support of a strong information security system. Faced with complex and rapidly changing information security threat and challenges, Greatek has strengthened various information security protections and reinforced the awareness for information security in all employees to reduce the risk of information security on the Company.

1. Facing the constant cybersecurity risks, the company established a sound cybersecurity management system to comprehensively enhance its cybersecurity protection capabilities and regularly conducts cybersecurity training to improve employees' cybersecurity awareness and protective skills.

2. Deploy appropriate cybersecurity protection technologies to defend against various cybersecurity threats, including the firewalls to block illegal access from external sources, antivirus software to prevent virus and malware infections, and vulnerability scanning to reduce the risk of intrusion.
3. Since threats are constantly evolving, some specific response measures need to be implemented. These measures include regularly backing up important data for future needs, updating operating systems and applications, encrypting sensitive data, controlling data access permissions, and educating employees not to open emails or attachments from unknown sources.

VI. Effects on Greatek's crisis management of changes in its corporate image, and response measures:

Greatek is focused on its core business operations and strictly abides by all relevant regulatory requirements. The Company actively strengthens internal management, cultivates the skills and competences of its management team, realizes corporate social responsibilities, and is committed to and maintains a good corporate image.

VII. Expected benefits and possible risks associated with any mergers and acquisitions, and response measures:

None.

VIII. Expected benefits and possible risks associated with facilities expansion, and response measures:

None.

IX. Risk from centralized purchasing or sales, and response measures:

Greatek's largest sales customer only accounts for 8.08% of our net sales, indicating no concentration of sales.

The main materials required for the company's operations are supplied by multiple suppliers to ensure a stable supply. We also Irregular evaluate new suppliers and alternative materials to ensure the security of raw material supply and reduce the risk of concentrated supply. Additionally, there are two suppliers accounting for 10% or more of the net purchases. The two vendors are for different raw materials; therefore, there is no concentration of purchases.

X. Effect upon and risk to Greatek in the event a major quantity of shares belonging to a Director or shareholder holding greater than a 10% stake in the Company has been transferred or has otherwise changed hands, and response measures:

None.

XI. Effect upon and risk to Greatek associated with any change in governance personnel or top management, and response measures:

None.

XII. If there has been any substantial impact upon shareholders' equity or prices for the Greatek's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving Greatek that was finalized or remained pending, the facts in dispute,

amount in dispute, commencement date, main parties involved, and current status of the case up to the publication date of this annual report shall be disclosed:

None.

XIII. Other important risks and countermeasures:

1. Has the Company evaluated the risks or opportunities to the community and taken corresponding measures? Please describe the specific measures taken and their effectiveness.

Analyses of internal and external risks point out an opportunity to identify and maintain the noise level in the neighborhood. Perimeter noise testing is conducted every year to ensure that residents are not disturbed by the noise.

The company was established in Miaoli County in 1972. In order to deepen local development and reduce population migration, the company has actively expanded factories in Zhunan and Toufen areas to increase local employment opportunities. As of March 31, 2024, The Company had 2,464 employees registered in Miaoli County, accounting for 78.15% of the 3,153 domestic employees.

In 2023, the company made donations of NT\$30,000 to the Friends of the Police Association, Miaoli and NT\$20,000 to the Shanjia Community Patrol Team, aiming to strengthen community identity.

2. Has the Company invested resources to support cultural development in Taiwan? Please describe the ways of support and the results achieved.

The Company supports local cultural development with occasional financial sponsorship to nearby temples and community events.

Please Refer Performance in Communicating with Stakeholders over Their Topics of Concern ◦

3. Has the Company invested in energy-saving or green energy-related sustainable equipment and machinery, or in Taiwan's green energy industry, such as renewable energy power plants? Has the Company issued or invested funds in sustainable development financial products for green or socially beneficial investment projects that have tangible benefits while disclosing the investment and specific benefits?

- (1) In line with global efforts for environmental protection and the efficient use of energy resources, we are implementing measures to energy saving and reduce carbon emissions:

Proposal: Establishing renewable (green) energy equipment

In 2023, an investment of NT\$62 million was made to set up photovoltaics with a capacity of 1,336.44 KW. It is estimated to generate approximately 1,670,550 KWh of electricity per year, resulting in a reduction of 838.6161 tCO₂e in carbon emissions.

In 2024, an investment of NT\$35.07 million will be made to set up photovoltaics with a capacity of 625 KW. It is estimated to generate approximately 781,250 KWh of electricity per year, resulting in a reduction of 386.71875 tCO₂e in carbon emissions.

- (2) Motors are essential components of facilities and machinery. Replacing motors with high efficiency ones is a critical measure for improving energy efficiency and achieving environmental goals, driven by technological advancements.

Proposal: Replacing the motors of the ice water pumps and cooling water pumps it is estimated that replacing the ice water pump motors can reduce power consumption from 75 KW to 55 KW, and replacing the cooling water pump motors can reduce it from 55 kW to 45 KW. Each replacement can

save 30 KW of power consumption.

In 2023, an investment of NT\$1.46 million was made to replace motors of ice water pumps and cooling water pumps. This replacement is expected to achieve an electricity savings of 30% per year and reduce carbon emissions by 131.9256 tCO₂e.

Chapter 7 Other Important Matters:

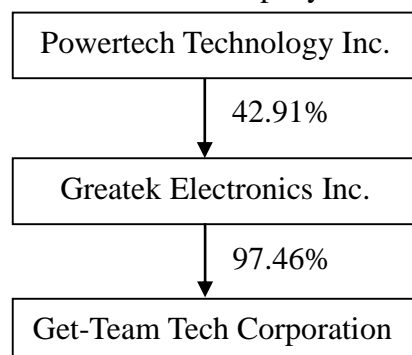
None

Special Disclosure

Chapter 1. Information Related to the Company's Affiliates:

I. Affiliated companies' consolidated business report

1. Organizational chart of the company's affiliated companies



2. Profiles of the Company's affiliated companies

December 31, 2023. Unit: NT\$ thousands;

Name of enterprise	Date of establishment	Address	Paid-in Capital	Main business or production items
Powertech Technology Inc.	1997/5/15	No. 10, Datong Rd., Hsinchu Industrial Park, HuKou Shiang, Hsinchu, Taiwan, R.O.C.	NT\$7,591,466	PTI is mainly engaged in the manufacturing, packaging, testing, researching and developing, designing, assembling and sale of various integrated circuit products. PTI also provides semiconductor testing and assembly services on a turnkey basis, in which PTI buys fabricated wafers and sells tested and assembled semiconductors.
Get-Team Tech Corporation	1994/12/5	No. 122-8, Zhonghua Rd., Hukou Township, Hsinchu County	NTD 80,000	Metal plating on semiconductor lead frame

II. Shareholders in Common of Greatek with Deemed Control and Subordination:

None.

III. The industries covered by the overall related businesses include :

The Company, along with its related businesses, is engaged in the packaging, testing, and other related services for various types of integrated circuits.

V. Information on Directors, Supervisors, and Presidents of Affiliates:

December 31, 2023

Name of enterprise	Title	Name	Shares held	
			Number of Shares	Shareholding %
Powertech Technology Inc.	Chairman	D.K. Tsai	4,000,000	0.53%
	Director	Representative of Kingston Technology Corporation Daphne Wu	29,875,000	3.94%

Name of enterprise	Title	Name	Shares held	
			Number of Shares	Shareholding %
	Director	Representative of Kingston Technology Corporation Shigeo Koguchi	29,875,000	3.94%
	Director	J.S. Leu	62,356	0.01%
	Director	Representative of Greatek Electronics Inc. Boris Hsieh	11,800,000	1.55%
	Director	Representative of KIOXIA Semiconductor Taiwan Corporation Kenjiro Hara	3,655,309	0.48%
	Independent Director	Jui-Tsung Chen	0	0%
	Independent Director	Pei-Ing Lee	0	0%
	Independent Director	Morgan Chang	0	0%
	Independent Director	Chao-Chin Tung	0	0%
	President	J.S. Leu	62,356	0.01%
Get-Team Tech Corporation	Chairman	Boris Hsieh	0	0%
	Supervisor	Representative of Greatek Electronics Inc. He, Zuo-Siang	7,796,498	97.46%
	President	Li, Chuan-Shu	0	0%

V. Overview of Affiliate Operations:

Unit: NT\$ thousands

Name of enterprise	Paid-in Capital	Total Assets	Total Liabilities	Net worth	Net sales	Operating Income	Net Income (after tax)	EPS(NT\$) (after tax)
Powertech Technology Inc.	NT\$7,591,466	111,154,565	42,048,082	69,106,483	70,440,945	8,153,566	9,509,138	10.72
Get-Team Tech Corporation	NT\$80,000	144,752	57,588	87,164	120,207	(14,823)	(13,486)	(1.69)

VI. Overview of Relations between Subsidiary and Controlling Company

Unit: Shares; %

Name of controlling company	Reason for control	Details of shareholdings and pledges			Directors, Supervisors or managerial officers appointed to the subordinate company by the controlling company	
		Number of Shares	Shareholding %	Number of pledged shares	Title	Name
Powertech Technology Inc.	Obtained one-half of the total Director seats	244,064,379	42.91%	0	Chairman Representative Director Representative Director and President Representative Director Representative Director	Boris Hsieh D.K. Tsai Louis Ning J.S. Leu Yu-Chin Chen

VII. Purchases/Sales with Controlling Company:

Please refer to the disclosures on related party transactions and notes in the Company's consolidated and Parent Company Only financial statements.

VIII. Asset Transactions with the Controlling Company:

Please refer to the disclosures on related party transactions and notes in the Company's consolidated and Parent Company Only financial statements.

IX. Implementation of Capital Financing:

None.

X. Asset Leasing Status:

None.

XI. Status of Provision of Endorsement/Guarantees:

None.

XII. Declaration of Consolidation of Consolidated Financial Statements of Affiliates

Declaration of Consolidation of Consolidated Financial Statements of Affiliates

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

Very truly yours,

Greatek Electronics Inc.

Chairman : BORIS HSIEH

February 23, 2024

Chapter 2 Private Placement of Securities During the Most Recent Fiscal Year up to the Date of Publication of the Annual Report:

None.

Chapter 3 Holding or Disposal of Shares in the Company by the Company's Subsidiaries During the Most Recent Fiscal Year up to the Date of Publication of the Annual Report:

None.

Chapter 4 Other Matters Requiring Additional Description:

None.

Any Matter which May Materially Affect Shareholders' Equity or the Price of the Company's Securities

Chapter 1 Any Matter which May Materially Affect Shareholders' Equity or the Price of the Company's Securities:

None.

Greatek Electronics Inc.

Chairman: Boris Hsieh