

TWSE Code: 2441



超豐電子股份有限公司
GREATEK ELECTRONICS INC.

2023 Annual Shareholders' Meeting

Meeting Handbook



Date: 9:00 am on May 30, 2023

Venue: No. 136, Gongyi Rd., Zhunan Township, Miaoli County
(The Company)

(Shareholders meeting will be held by means of physical shareholders meeting)

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Greatek Electronics Inc.

Meeting Procedure of the 2023 Annual Shareholders' Meeting

- I. Calling the Meeting to Order
- II. Chairman's Opening Remarks
- III. Reporting Items
- IV. Ratification Items
- V. Discussion Items
- VI. Extempore Motions
- VII. Adjournment

Greatek Electronics Inc.

Agenda for the 2023 Annual Shareholders' Meeting

Time: 9:00 am on Tuesday, May 30, 2023

Venue: No. 136, Gongyi Rd., Zhunan Township, Miaoli County
(The Company)

- I. Chairman Calls the Meeting to Order
- II. Chairman's Opening Remarks
- III. Reporting Items
 - (1) 2022 Business Report.
 - (2) Review Report from the Audit Committee.
 - (3) Report on the Distribution of Employee Compensations and Director Remunerations for 2022.
- IV. Ratification Items
 - (1) Ratification of the 2022 Business Report and financial statements.
 - (2) Proposal for 2022 earnings distribution.
- V. Discussion Items
 - (1) Proposal of Release the Prohibition on Directors from Participation in Competitive Business.
 - (2) To approve the issuance of new common shares for cash to sponsor the issuance of the overseas depository 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").
- VI. Extempore Motions
- VII. Adjournment

Reporting Items

Proposal 1

Subject: Ratification of the 2022 Business Report.

Explanatory notes:

Please refer to Attachment 1 on page 18 to 25 of this Handbook for Greatek's 2022 Business Report.

Proposal 2

Subject: The Audit Committee's Review Report.

Explanatory notes:

Please refer to Attachment 2 on page 26 of this Handbook for Greatek's Review Report from the Audit Committee.

Proposal 3

Subject: 2022 Employee Compensation and Director Remuneration Distribution Report.

Explanatory notes:

- (1) In regards to the employees' compensations and Directors' remunerations in 2022, on February 24, 2023, the Board of Directors has appropriated NT\$429,977,490 and NT\$80,711,070 as employee compensations and Directors' remuneration respectively in accordance with the Company Act and the Articles of Incorporation.
- (2) The aforementioned employee compensations and remuneration distributions are of no difference with the number recorded in 2022 financial statements. All distributions were paid in cash.

Ratification Items

Proposal 1 (proposed by the Board of Directors)

Subject: Please ratify the 2022 Business Report and financial statements.

Explanatory notes:

- (1) The Board of Directors has approved the 2022 Business Report and financial statements in a Board Meeting convened on February 24, 2023. The financial statements, including Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Equity, and Cash Flow Statement, have been audited by the CPA Cheng-Chih Lin and CPA Su-Li Fang of Deloitte Taiwan, and an Independent Auditor's Report has been issued accordingly.
- (2) Please refer to Attachment 1 on page 18 to 25 of this Handbook for the 2022 Business Report, and refer to Attachment 3 and 4 on page 27 to 44 respectively for the Independent Auditor's Report and the financial statements.

Resolution:

Proposal 2 (proposed by the Board of Directors)

Subject: Please ratify the 2022 Earnings Distribution

Explanatory notes:

- (1) The Board of Directors has proposed a Table of Earnings Distribution in accordance with the Company Act and the Articles of Incorporation in a Board Meeting convened on February 24, 2023.
- (2) The Board of Directors is authorized to adjust the distribution if the number of shares outstanding is affected by subsequent amendments from the competent authority, repurchase of the Company's shares, issuance of new common shares for cash, convertible bonds, transfer or requirement of treasury shares, or other factors, which lead to a change of shareholders' distribution rate.
- (3) Upon a 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 date and is rounded to the nearest NT dollar based on the distribution ratio. Any fractional amount will be aggregated and recognized as other income of the Company.
- (4) Please refer to Attachment 5 on page 45 of this Handbook for the 2022 Table of Earnings Distribution.

Resolution:

Discussion Items

Proposal 1 (proposed by the Board of Directors)

Subject: Proposal of Release the Prohibition on Directors from Participation in Competitive Business.

Explanatory notes:

- (1) Pursuant to Article 209 of the Company Act, a Director who does anything for himself/herself or on behalf of another person that is within the scope of the Company's business, shall explain to the Shareholders' Meeting the essential contents of such an act and secure its approval.
- (2) In accordance with applicable law, the Shareholders' Meeting is hereby asked to consent to release the prohibition on Directors from participation in competitive business.

Position	Name	Current Positions	Main business items
Representative of Powertech Technology Inc.	Boris Hsieh	Chairman of Get-Team Tech Corporation	Metal plating on semiconductor lead frame
Independent Director	Chu-Chien Feng	Director of Neousys Technology Inc.	Computer and Peripheral Equipment

Resolution:

Proposal 2 (proposed by the Board of Directors)

Subject: To approve 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").

Explanatory notes:

(1)Fund raising purpose and size:

In order to invest in the equipment of assembly and testing technology products, and the research & development of technologies, enrich working capital, provide the flexibility to engage in a IC backend technology cooperation or alliance with major companies, strengthen financial structure and/or support the Company's need of funding for long-term development, it is hereby proposed that the coming shareholders meeting to authorize the Board of Directors ("Board"), within the limit of 56,870,000 common shares or NTD5 billion Bonds(or oversea currency exchange equivalent), depending on the market conditions and the Company's capital needs, to choose appropriate timing and fund raising instrument(s), to issue new common shares for cash to sponsor DR Offering and/or issue new common shares for cash in public offering and/or issue Private Placement Shares and/or issue Private Placement overseas or domestic Bonds and/or issue overseas or domestic Bonds, in accordance with the applicable laws and regulations and the following fund raising principles. For issuance of Private Placement overseas or domestic Bonds and/or issue overseas or domestic Bonds,

the number of common shares to be converted within the limit of 56,870,000 common shares shall be calculated in accordance with the conversion price determined at the time of issuance of Private Placement overseas or domestic Bonds and/or issue overseas or domestic Bonds.

(2) Fund raising method(s) and handling principles :

A. Issuance of new common shares for cash to sponsor DR Offering :

a. The issue price of the new common shares will be decided with reference to (a) the closing price of the Company's common shares on the pricing date or (b) the average of the closing price of the Company's common shares for 1, 3 or 5 trading days prior to the pricing date (each of (a) and (b) is referred to hereinafter as the "reference price"). The Chairman of the Company is authorized to coordinate with the foreign lead-underwriter(s) of the DR Offering to determine the actual issue price in accordance with market conditions, provided that, the actual price shall not be less than 90% of the reference price after adjustment for shares issued as stock dividends, shares cancelled in connection with capital reduction and the cash dividends.

The reference price and the actual price will be decided in accordance with market practice and applicable law and regulations. In addition, assuming that the Company issues 56,870,000 common shares which is approximately 9.997% of the Company's total outstanding common shares on the record date for the Company's 2023 annual shareholders meeting, as the actual price shall be no less than 90% of the reference price after adjustment for shares issued as stock dividends, shares cancelled in connection with capital reduction and the cash dividends, it is unlikely that such issuance will have a material dilutive effect on the holding of the current existing shareholders. Thus,

determination of the issue price of the new common shares to be issued in connection with the DR Offering should be reasonable and should not have a material adverse effect on the rights and benefits of the current existing shareholders.

- b. Except for 10% to 15% of the new common shares shall be allocated for the employees' subscription in accordance with the applicable law, it is proposed for the shareholders meeting to approve the rights to subscribe to the remaining shares to be waived by the shareholders and such remaining shares should be offered to the public under Article 28-1 of the Securities and Exchange Act as the underlying shares of the global depository shares to be sold in the DR Offering. Any new common shares not subscribed by employees of the Company shall be determined by the Chairman of the Company, depending on the market needs, to be allocated as underlying shares of the global depository shares or to be subscribed by the designated person(s).

B. Issuance of new common shares for cash in public offering :

- a. The par value of the new common shares to be issued per share is NT\$10. It is proposed to authorize the Chairman of the Company to coordinate with the underwriter(s) of the public offering to determine the actual issue price in accordance with the Taiwan Securities Association's Self-regulatory Rules Governing the Provision of Advisory Services by Underwriter Members to Issuing Companies for Offering and Issuing Securities and the market conditions and the issue price shall be reported to, and approved by the regulatory authority before issuance.
- b. It is proposed to authorize the Board to choose either one of the following two methods to sell the new shares in the public offering through the underwriter(s):
 - (i) Except for 10% to 15% of the new shares must be offered to

employees in accordance with Article 267, Paragraph I of the Company Act, it is proposed for the shareholders meeting to approve the pre-emptive rights to subscribe to the remaining shares to be waived by the shareholders in accordance with Article 28-1 of the Securities and Exchange Act and such remaining shares will be offered to the public via book building. It is proposed that any new common shares not subscribed by employees of the Company will be sold to the person(s) designated by the Chairman of the Company at the issue price.

- (ii) Except for 10% to 15% of the new shares must be offered to employees in accordance with Article 267, Paragraph I of the Company Act, it is proposed that 10% of the new shares to be sold to the public through the underwriter(s) in accordance with Article 28-1, Paragraph 2 of the Securities and Exchange Act and the remaining shares will be subscribed to by the existing shareholders of the Company in accordance with their shareholding. It is proposed that any new common shares not subscribed by employees and shareholders of the Company will be sold to the person(s) designated by the Chairman of the Company at the issue price.

C. Issuance of Private Placement Shares and/or Private Placement Overseas or Domestic Bonds :

a. Basis and reasonableness for determination of the subscription price of the Private Placement Shares :

- (i) The higher of (x) the simple average closing price of the Company's common shares for 1, 3 or 5 trading days prior to the pricing date, and (y) the simple average closing price of the Company's common shares for 30 trading days prior to the pricing date, after adjustment for shares issued as stock

dividends, shares cancelled in connection with capital reduction and the cash dividends, as the reference subscription price of the Private Placement Shares.

- (ii) The issue price of the Private Placement Shares shall be no less than 85% of the reference price. It is proposed to authorize the Board to decide the actual issue price within the range approved by the shareholders meeting, depending on the status of finding specific investor(s) and market conditions.

The issue price of the Private Placement CB shall be no less than 85% of the theoretical price.

Theoretical price: A securities price calculated based on an appropriate pricing model that is selected in consideration of the various rights under the terms of issuance. The pricing model shall as a whole encompass, and include the concurrent consideration of, the various rights included in the terms of issuance.

- (iii) As aforementioned, subscription price of the Private Placement Shares and issue price of Private Placement CB will be determined with reference to the price of the Company's common shares and the theoretical price in accordance with the Regulations Governing Public Companies Issuing Securities in Private Placement, thus, the price should be reasonable.

- b. The method, purpose, necessity and projected benefits to determine specific investor(s):

The investors to subscribe to the Private Placement Shares and/or Private Placement CB must meet the qualifications listed in Article 43-6of the Securities and Exchange Act and are limited to strategic investor(s). Priority will be given to the investor(s) who could benefit the Company's long term development, competitiveness,

and existing shareholders' rights. The Board is fully authorized to determine the specific investor(s). The purpose, necessity and projected benefits for choosing strategic investor(s) are to accommodate the Company's operation and development needs to have the strategic investor(s) to assist the Company, directly or indirectly, in its finance, business, manufacturing, technology, procurement, management, and strategy development, etc. so to strengthen the Company's competitiveness and enhance its operational efficiency and long term development.

- c. The necessity of issuance of Private Placement Shares and/or Private Placement overseas or domestic Bonds:

Considering the effectiveness and convenience for issuance of the Private Placement Shares/Private Placement overseas or domestic Bonds and accommodating the Company's development planning, including inviting the strategic investor(s), it would be necessary to issue the Private Placement Shares and/or Private Placement overseas or domestic Bonds.

- d. For the Private Placement Shares and/or the new common shares to be issued upon conversion of Private Placement overseas or domestic Bonds, after expiration of three years following delivery date of the Private Placement Shares/Private Placement overseas or domestic Bonds, the Board is authorized to apply for approval from the Taiwan Stock Exchange ("TWSE") acknowledging that the Private Placement Shares /new common shares to be issued upon conversion of Private Placement overseas or domestic Bonds meet the requirements for TWSE listing before the Company submitting application with the Financial Supervisory Commission for retroactive handling of public issuance of such shares and submitting application with TWSE for listing such shares on TWSE.

e. Supplementary Note for Issuance of Overseas or Domestic Corporate Bonds in Private Placement is attached hereto as Attachment 6 on page 46 to 49 of this Handbook.

D. Issuance of overseas or domestic Corporate Bonds :

Basis and reasonableness for determination of the subscription price of the Shares:

- a. The overseas or domestic Corporate Bonds will be issued in registered form in denomination of US\$10,000 or multiples thereof or NT\$100,000 or multiples thereof and the issue price shall be no less than 85% of the theoretical price.
- b. It is proposed for the Shareholders Meeting to authorize the Board to determine and amend, at the Board's sole discretion, the terms and condition of the Corporate Bonds, the conversion methods, the plan for the use of proceeds, the schedule and projected benefits and all matters in connection therewith, in accordance with the Company's actual needs, market conditions and relevant regulations.

(3) Use of proceeds, the schedule and the projected benefits:

The Company plans to use the funds raised from the DR Offering and/or issuance of the new common shares in public offering and/or at one time or several times (no more than 3 times) issuance of the Private Placement Shares and/or Private Placement overseas or domestic Bonds and/or overseas or domestic Bonds to invest in the equipment of assembly and testing technology products, and the research & development of technologies, enrich working capital, provide the flexibility to engage in a IC backend technology cooperation or alliance with major companies, strengthen financial structure and/or support the Company's needs of funding for long-term development and plans to use such funds within three years after completing the fund raising and it is expected that use of such funds

will strengthen the Company's competition and improve operational efficiency.

(4) The new common shares to be issued to sponsor the DR Offering, the new common shares to be issued in public offering, Private Placement Shares and the new common shares to be issued upon conversion of overseas and domestic CB in Private Placement will be issued in the dematerialized form. Except that the Private Placement Shares and the new common shares to be issued upon conversion of Private Placement CB are subject to the selling restrictions within three years after the delivery date of the Private Placement Shares/Private Placement CB under Article 43-8 of the Securities and Exchange Act, the new common shares to be issued to sponsor the DR Offering, the new common shares to be issued in public offering, the Private Placement Shares and the new common shares to be issued upon conversion of CB will have the same rights and obligations as the Company's existing issued and outstanding common shares.

(5) The reason for the situation where the issue price of the new common shares to be issued to sponsor the DR Offering, the new common shares to be issued in public offering, Private Placement Shares and the conversion price for the issuance of overseas and domestic CB in Private Placement is set as a price less than the par value due to change of the market change and the reason for the Company not adopt other fund raising method and the reasonableness for such determination:

This is mainly based on considerations of the sound operation of the Company and the security of its financial structure and issuing equity related securities for fund raising is more appropriate than pure debt financing. If the Company decides to use the fund raising methods, such as issuing new shares for cash to sponsor the DR Offering,

issuing new shares for cash in public offering, and issuing Private Placement Shares, etc. the Company would not incur any interest of the debt in such case not only the Company's financial risk could be reduced, the Company's financial structure could be improved and the flexibility of the Company's treasury management would also be increased. For issuance of overseas and domestic CB in Private Placement, if investor converts CB into the common shares, would improve the Company's financial structure and benefit the Company's long term development. It should then be reasonable for the Company to issue the equity related securities. If the issue price and the conversion price is less than the par value, such would be expected to cause decrease of the Company's capital surplus and retained earnings in which case the Company will, depending on the actual operating conditions in the future, make up for the losses. As the issue price and the conversion price will be determined in accordance with the relevant regulations, thus, after realization of the benefits of the capital increase, the Company's financial structure will be effectively improved which would be favorable to the Company's long-term development and would not have adverse impact on the rights and benefits of the shareholders.

- (6) After the shareholders meeting approves issuance of new common shares to sponsor the DR Offering, new common shares in public offering, the Private Placement Shares, issuance of overseas and domestic CB and issuance of overseas and domestic CB in Private Placement, it is proposed for the shareholders meeting to authorize the Board to determine and amend, at the Board's sole discretion, the terms and condition of the new common shares to be issued for the DR Offering and/or in public offering and/or terms and condition of the Private Placement Shares and/or Offering Plan of the Private Placement overseas or domestic Bonds and/or issuance of overseas or

domestic bonds, the plan for the use of proceeds, the schedule and projected benefits and all matters in connection therewith, in accordance with the Company's actual needs, market conditions and relevant regulations and if any amendment thereto is required due to any change of the regulations or as requested by the regulator's order or based on the Company's operation evaluation or change of the market conditions, the Board is authorized to make the required amendments at the Board's sole discretion.

- (7) To complete the fund raising, the Chairman or the Chairman's designee is authorized, on behalf of the Company, to handle all matters relating to, and sign all agreements and documents in connection with, issuance of the new common shares to sponsor the DR Offering, issuance of new common shares in public offering, issuance of the Private Placement Shares, issuance of overseas and domestic CB and issuance of overseas and domestic CB in Private Placement.
- (8) The Board is authorized to handle all matters at the Board's sole discretion which are not addressed herein in accordance with the applicable laws and regulations.
- (9) Please discuss and resolve.

Resolution:

Extempore Motions

Adjournment

Attachment 1

Greatek Electronics Inc.

2022 Business Report

After the outbreak of the Russo-Ukrainian War, global inflation soared and central banks around the world aggressively raised interest rates to curb inflation. In addition, the adverse factors such as China's COVID lockdown severely impacted the economy, the global economy slowed down, and end market demands froze, presenting challenges with high inventory levels. Personal computers, mobile phones, and consumer electronics products were negatively affected, and companies began to lay off employees and reduce costs. Since the middle of 2022, the semiconductor industry became increasingly uncertain month by month, taking a sharp turn for the worse. IC design companies have made inventory clearance a key priority, reducing wafer shipments. Some companies have even been willing to pay penalties to get free from the burden of long-term supply contracts. The production capacity of semiconductor wafer foundries decreased along with the demand, leading to a significant reduction in capital expenditures. Equipment manufacturers have a conservative outlook for 2023, and the entire semiconductor supply chain is gradually being affected by the economic correction. The International Monetary Fund (IMF) lowered its global economic growth projection to 3.4% in January 2023. Due to inflation causing weak end-consumer demand, the World Semiconductor Trade Statistics (WSTS) lowered its forecast for semiconductor production in November 2022 to US\$580.1 billion, a year-on-year growth of only 4.4%. The ITRI Industrial Economics and Knowledge Center estimated in November 2022 that Taiwan's IC production value in 2023 would be NT\$4,720.4 billion, a year-on-year growth of 15.6%, while the IC packaging and testing industry is expected to grow by 10.1%. In

November 2022, Gartner estimated that the global semiconductor revenue in 2023 would reach US\$618 billion, a growth of 4%.

Greatek's 2022 consolidated operating income was NT\$15.95 billion, and the annual revenue decreased by 18% compared to 2021. In 2011, it was mainly benefited from the explosion of the semiconductor demand, and the revenue reached a new record. However, the semiconductor market in 2022 took a rush downturn, resulting the consolidated operating gross profit in 2022 decline by 32.5% compared to 2021. Below is a summary of Greatek's operating performance in 2022 and its Business Plan for 2023:

I. Implementation results of the 2022 Business Report:

The 2022 operating revenue was NT\$15.95 billion, representing a 18% decrease from NT\$19.46 billion in 2021. Consolidated gross margin was 26.5%, showing a 5.7% decline from 32.2% in 2021. In terms of earnings, the consolidated net income after tax was NT\$3.158 billion, representing a 31.4% lessen from NT\$4.603 billion in 2021. The consolidated earnings per share (EPS) was NT\$5.55, which was reduced by 31.4% from NT\$8.09 in 2021.

II. Budget implementation:

Greatek did not disclose its financial forecast in 2022.

III. Financial Revenue and Profitability Analysis:

Greatek's operating principles include robust growth, proactive innovations, and prudent investments. The 2022 capital expenditures amounted to approximately NT\$3.3 billion, and most of which went toward increasing packaging, testing, and die processing service (DPS) capacity and improving production efficiency and costs.

Though capital expenditure has increased, the Company's ending cash balance as of December 31, 2022 was NT\$3.8 billion due to continued profitability and adequate financial income and expenditure controls. The current ratio was 296%, 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

Cash flows in 2022:

- (1) Net cash inflow from operating activities: NT\$6,387,407 thousand (mostly attributable to net profit and depreciation)
- (2) Net cash outflow from investing activities: NT\$(4,225,394 thousand), mostly attributable to acquisition of property, plant, and equipment.
- (3) Net cash outflow from financing activities: NT\$(2,456,890 thousand), mostly attributable to distribution of cash dividends.

2. Profitability Analysis

Item/Year	2022	2021
Return on asset (%)	12.40	19.16
Return on equity (%)	15.13	23.71
Net profit ratio (%)	19.80	23.65
Earnings per share (NT\$)	5.55	8.09

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 2022, the Company committed its production capacity to QFN Dual Row products, improved the packaging and testing capabilities of third-generation semiconductors (GaN), developed Hybrid / MIS Package (Flip Chip + Wire Bond) products, and developed System-in-Package (SiP) products.

The R&D expense in 2022 was NT\$252 million, accounting for 1.6% of full year revenue.

V. Summary of the 2023 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 2023 is as follows:

Sales item	Estimated sales volume
Packaging	Approx. 9.3 billion units
W/T testing	Approx. 680,000 units
F/T testing	Approx. 5.8 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, increase productivity and product quality, thereby reducing costs and enhancing profitability.
- (7) To strengthen information management and enhance the operating efficiency and quality in production and sales in order to provide better customer service.

IMF's World Economic Outlook in January 2023 indicated that the global economy would still face challenges from inflation, central banks raising real interest rates and maintaining them above neutral rates, as well as the ongoing impact of the Russia-Ukraine conflict on economic activity. Economic growth is expected to remain weak, with a predicted global GDP of 2.9% in 2023. Meanwhile, the global inflation rate is expected to decrease from 8.8% to 6.6%. In November 2022, WSTS estimated that the global semiconductor market revenue in 2023 would decrease by 4.1% year-on-year to US\$556.5 billion, with a 1.2% year-on-year decrease in logic chips. In November 2022, Gartner predicted that the semiconductor revenue for 2023 would be lowered to US\$596.0 billion, down 3.6% from

the previous year. The global economic downturn and decreased consumer demand have a negative impact on the semiconductor market in 2023. Taiwanese and international institutions predict that the stagnant economic may continue into the first half of 2023, with a recovery expected to begin in the second half of the year. However, there are still many variables in 2023's global economy, such as the impact of tightening fiscal policies on financial markets, US-China tech disputes, cross-strait situations, the post-lockdown China, the impact of chip-related legislations in Europe and the US on the semiconductor supply chain, and geopolitical risks like the Russia-Ukraine conflict. There are still many uncertainties, and it remains to be seen whether the economy will rebound quickly or experience a slower recovery in 2023. As the semiconductor industry undergoes adjustments, the automotive market is expected to drive demand for sensors, power management chips, power control chips, car network communication chips, and display driver chips, among others, due to the trends of electrification and smartization. Its development prospects are highly anticipated.

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 2023 include: to enhance 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 products product manufacturing capability. As for cost control, the Company will enhance equipment productivity and continue to improve processes and the use of raw materials. 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

Review Report from the Audit Committee

The Board of Directors has prepared Greatek's 2022 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

2023 Annual Shareholders' Meeting of Greatek Electronics Inc.

Greatek Electronics Inc.

Chairman of the Audit Committee:

Chu-Chien Feng

Published on February 24, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Greatek Electronics Inc.

Opinion

We have audited the accompanying consolidated financial statements of Greatek Electronics Inc. and its subsidiaries (the "Corporation"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2022 and 2021, its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements of the Corporation for the year ended December 31, 2022, are described as follows:

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, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2023

Notice to Readers

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

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

GREATEK ELECTRONICS INC.
**CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

ASSETS	2022		2021		LIABILITIES AND EQUITY	2022		2021	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4 and 6)	\$ 3,835,529	16	\$ 4,047,129	15	Financial liabilities at fair value through profit or loss - current (Notes 4, 5 and 7)	\$ 250	-	\$ -	-
Financial assets at fair value through profit or loss - current (Notes 4, 5 and 7)	29,218	-	80,945	-	Contract liabilities - current (Notes 4 and 21)	200,206	1	164,824	1
Financial assets at amortized cost - current (Notes 4, 5 and 9)	50,000	-	400,000	2	Notes payable	6,563	-	3,346	-
Contract assets - current (Notes 4, 21 and 28)	883,364	3	896,128	3	Accounts payable (Note 28)	406,546	2	1,390,380	5
Notes receivable (Notes 4, 5, 10 and 21)	44,579	-	155,411	1	Payables to equipment suppliers (Note 28)	161,826	1	870,822	3
Accounts receivable (Notes 4, 5, 10 and 21)	1,999,706	8	3,755,162	14	Accrued compensation to employees and remuneration to directors (Notes 4 and 22)	510,689	2	758,441	3
Receivables from related parties (Notes 4, 5, 21 and 28)	169,330	1	435,798	2	Current income tax liabilities (Notes 4 and 23)	248,310	1	802,962	3
Inventories (Notes 4 and 11)	1,425,007	6	1,363,541	5	Lease liabilities - current (Notes 4 and 14)	8,487	-	1,250	-
Prepaid expenses and other current assets (Notes 4, 16 and 28)	220,611	1	219,755	1	Accrued expenses and other current liabilities (Notes 4, 17 and 28)	1,313,711	5	1,419,439	5
					Guarantee deposits - current (Note 18)	70,518	-	-	-
Total current assets	8,657,344	35	11,353,869	43	Total current liabilities	2,927,106	12	5,411,464	20
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES				
Financial assets at fair value through other comprehensive income - non-current (Note 4 and 8)	934,560	4	977,000	4	Deferred income tax liabilities (Notes 4 and 23)	11,522	-	6,189	-
Financial assets at amortized cost - noncurrent (Notes 4, 5 and 9)	50,000	-	100,000	-	Lease liabilities - noncurrent (Notes 4 and 14)	39,108	-	7,061	-
Property, plant and equipment (Notes 4, 13 and 28)	14,516,540	60	13,872,740	52	Guarantee deposits - noncurrent (Note 18)	334,977	1	16	-
Right-of-use assets (Notes 4 and 14)	45,712	-	8,109	-	Net defined benefit liability - noncurrent (Notes 4 and 19)	210,628	1	251,448	1
Intangible assets (Notes 4 and 15)	97,619	-	53,473	-	Total non-current liabilities	596,235	2	264,714	1
Deferred income tax assets (Notes 4 and 23)	2,807	-	25,039	-	Total liabilities	3,523,341	14	5,676,178	21
Other noncurrent assets (Notes 4, 16 and 29)	127,653	1	115,853	1	EQUITY (Notes 4, 20 and 26)				
Total non-current assets	15,774,891	65	15,152,214	57	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
					Capital stock				
					Common stock	5,688,459	23	5,688,459	22
					Capital surplus	2,282	-	2,282	-
					Retained earnings				
					Legal reserve	3,984,926	16	3,524,620	13
					Unappropriated earnings	11,388,066	47	11,570,060	44
					Other equity	(157,984)	-	44,484	-
					Total equity attributable to shareholders of the Parent	20,905,749	86	20,829,905	79
					NON-CONTROLLING INTERESTS				
						3,145	-	-	-
					Total equity	20,908,894	86	20,829,905	79
TOTAL	<u>\$ 24,432,235</u>	<u>100</u>	<u>\$ 26,506,083</u>	<u>100</u>	TOTAL	<u>\$ 24,432,235</u>	<u>100</u>	<u>\$ 26,506,083</u>	<u>100</u>

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

GREATEK ELECTRONICS INC.

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

	2022		2021	
	Amount	%	Amount	%
NET SALES (Notes 4, 21, 28 and 33)	\$ 15,950,309	100	\$ 19,461,143	100
OPERATING COSTS (Notes 11, 19, 22 and 28)	<u>11,720,008</u>	<u>73</u>	<u>13,191,441</u>	<u>68</u>
GROSS PROFIT	<u>4,230,301</u>	<u>27</u>	<u>6,269,702</u>	<u>32</u>
OPERATING EXPENSES (Notes 19 and 22)				
Selling and marketing	66,307	-	73,665	-
General and administrative	269,242	2	312,982	2
Research and development	252,072	2	287,002	1
Expected credit (gain) loss	<u>-</u>	<u>-</u>	<u>(51,037)</u>	<u>-</u>
Total operating expenses	<u>587,621</u>	<u>4</u>	<u>622,612</u>	<u>3</u>
OPERATING INCOME	<u>3,642,680</u>	<u>23</u>	<u>5,647,090</u>	<u>29</u>
NONOPERATING INCOME AND EXPENSES (Notes 4 and 22)				
Interest income	36,592	-	21,407	-
Other income	143,525	1	89,717	1
Other gains and losses	<u>204,258</u>	<u>1</u>	<u>(8,540)</u>	<u>-</u>
Total nonoperating income and expenses	<u>384,375</u>	<u>2</u>	<u>102,584</u>	<u>1</u>
INCOME BEFORE INCOME TAX	4,027,055	25	5,749,674	30
INCOME TAX EXPENSE (Notes 4 and 23)	<u>869,071</u>	<u>5</u>	<u>1,146,912</u>	<u>6</u>
NET INCOME	<u>3,157,984</u>	<u>20</u>	<u>4,602,762</u>	<u>24</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)	(35,628)	-	295	-
Unrealized loss on investments in equity instruments designated as at fair value through other comprehensive income (Notes 4 and 20)	<u>(202,468)</u>	<u>(2)</u>	<u>(6,577)</u>	<u>-</u>
	<u>(238,096)</u>	<u>(2)</u>	<u>(6,282)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,919,888</u>	<u>18</u>	<u>\$ 4,596,480</u>	<u>24</u>

(Continued)

GREATEK ELECTRONICS INC.

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

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

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

(Concluded)

GREATEK ELECTRONICS INC.

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

	Equity Attributable to Shareholders of the Corporation								Total Shareholders' Equity
	Share Capital Issued and Outstanding		Capital Surplus	Retained Earnings		Other Equity Unrealized Gain (Loss) on Investments in Equity Instruments at Fair Value Through Other Comprehensive Income	Noncontrolling Total	Interest	
	Share (Thousands)	Amount		Legal Reserve	Unappropriated Earnings				
BALANCE, JANUARY 1, 2021	568,846	\$ 5,688,459	\$ 2,154	\$ 3,260,735	\$ 8,994,310	\$ 51,061	\$ 17,996,719	\$ -	\$ 17,996,719
APPROPRIATION OF 2020 EARNINGS									
Legal reserve	-	-	-	263,885	(263,885)	-	-	-	-
Cash dividends to shareholders - NT\$3.1 per share	-	-	-	-	(1,763,422)	-	(1,763,422)	-	(1,763,422)
Capital surplus - donations from shareholders	-	-	128	-	-	-	128	-	128
Net income for the year ended December 31, 2021	-	-	-	-	4,602,762	-	4,602,762	-	4,602,762
Other comprehensive income (loss) for the year ended December 31, 2021 , net of income tax	-	-	-	-	295	(6,577)	(6,282)	-	(6,282)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	4,603,057	(6,577)	4,596,480	-	4,596,480
BALANCE, DECEMBER 31, 2021	568,846	5,688,459	2,282	3,524,620	11,570,060	44,484	20,829,905	-	20,829,905
APPROPRIATION OF 2021 EARNINGS									
Legal reserve	-	-	-	460,306	(460,306)	-	-	-	-
Cash dividends to shareholders - NT\$5.0 per share	-	-	-	-	(2,844,230)	-	(2,844,230)	-	(2,844,230)
Net income for the year ended December 31, 2022	-	-	-	-	3,158,170	-	3,158,170	(186)	3,157,984
Other comprehensive income (loss) for the year ended December 31, 2022 , net of income tax	-	-	-	-	(35,628)	(202,468)	(238,096)	-	(238,096)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	3,122,542	(202,468)	2,920,074	(186)	2,919,888
Additional non-controlling interests recognized on acquisition of subsidiary	-	-	-	-	-	-	-	3,331	3,331
BALANCE, DECEMBER 31, 2022	568,846	\$ 5,688,459	\$ 2,282	\$ 3,984,926	\$ 11,388,066	\$ (157,984)	\$ 20,905,749	\$ 3,145	\$ 20,908,894

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

GREATEK ELECTRONICS INC.

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

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

(Continued)

GREATEK ELECTRONICS INC.

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

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

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

(Concluded)

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, 2022 and 2021, 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, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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, 2022. 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, 2022, 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, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2023

Notice to Readers

The accompanying 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, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

ASSETS	2022		2021		LIABILITIES AND EQUITY	2022		2021	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4 and 6)	\$ 3,796,761	15	\$ 4,047,129	15	Financial liabilities at fair value through profit or loss - current (Notes 4, 5 and 7)	\$ 250	-	\$ -	-
Financial assets at fair value through profit or loss - current (Notes 4, 5 and 7)	29,218	-	80,945	-	Contract liabilities - current (Notes 4 and 21)	200,206	1	164,824	1
Financial assets at amortized cost - current (Notes 4, 5 and 9)	50,000	-	400,000	2	Notes payable	6,563	-	3,346	-
Contract assets - current (Notes 4, 21 and 28)	883,364	4	896,128	3	Accounts payable (Note 28)	429,141	2	1,390,380	5
Notes receivable (Notes 4, 5, 10 and 21)	44,579	-	155,411	1	Payables to equipment suppliers (Note 28)	161,826	1	870,822	3
Accounts receivable (Notes 4, 5, 10 and 21)	1,998,096	8	3,755,162	14	Accrued compensation to employees and remuneration to directors (Notes 4 and 22)	510,689	2	758,441	3
Receivables from related parties (Notes 4, 5, 21 and 28)	169,330	1	435,798	2	Current income tax liabilities (Notes 4 and 23)	248,310	1	802,962	3
Inventories (Notes 4 and 11)	1,422,430	6	1,363,541	5	Lease liabilities - current (Notes 4 and 14)	1,627	-	1,250	-
Prepaid expenses and other current assets (Notes 4, 16 and 28)	209,537	1	219,755	1	Accrued expenses and other current liabilities (Notes 4, 17 and 28)	1,300,969	5	1,419,439	5
					Guarantee deposits - current (Note 18)	70,518	-	-	-
Total current assets	<u>8,603,315</u>	<u>35</u>	<u>11,353,869</u>	<u>43</u>	Total current liabilities	<u>2,930,099</u>	<u>12</u>	<u>5,411,464</u>	<u>20</u>
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES				
Financial assets at fair value through other comprehensive income - non-current (Note 4 and 8)	934,560	4	977,000	4	Deferred income tax liabilities (Notes 4 and 23)	151	-	6,189	-
Investments accounted for using the equity method (Notes 4, 12 and 25)	164,386	1	-	-	Lease liabilities - noncurrent (Notes 4 and 14)	11,038	-	7,061	-
Financial assets at amortized cost - noncurrent (Notes 4, 5 and 9)	50,000	-	100,000	-	Guarantee deposits - noncurrent (Note 18)	334,977	1	16	-
Property, plant and equipment (Notes 4, 13 and 28)	14,469,804	59	13,872,740	52	Net defined benefit liability - noncurrent (Notes 4 and 19)	210,628	1	251,448	1
Right-of-use assets (Notes 4 and 14)	12,447	-	8,109	-	Total non-current liabilities	<u>556,794</u>	<u>2</u>	<u>264,714</u>	<u>1</u>
Intangible assets (Notes 4 and 15)	39,375	-	53,473	-	Total liabilities	<u>3,486,893</u>	<u>14</u>	<u>5,676,178</u>	<u>21</u>
Deferred income tax assets (Notes 4 and 23)	2,807	-	25,039	-	EQUITY (Notes 4, 20 and 26)				
Other noncurrent assets (Notes 4, 16 and 29)	115,948	1	115,853	1	Capital stock				
Total non-current assets	<u>15,789,327</u>	<u>65</u>	<u>15,152,214</u>	<u>57</u>	Common stock	5,688,459	23	5,688,459	22
					Capital surplus	2,282	-	2,282	-
TOTAL	<u>\$ 24,392,642</u>	<u>100</u>	<u>\$ 26,506,083</u>	<u>100</u>	Retained earnings				
					Legal reserve	3,984,926	16	3,524,620	13
					Unappropriated earnings	11,388,066	47	11,570,060	44
					Other equity	(157,984)	-	44,484	-
					Total equity	<u>20,905,749</u>	<u>86</u>	<u>20,829,905</u>	<u>79</u>
					TOTAL	<u>\$ 24,392,642</u>	<u>100</u>	<u>\$ 26,506,083</u>	<u>100</u>

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
NET SALES (Notes 4, 21, 28 and 33)	\$ 15,948,963	100	\$ 19,461,143	100
OPERATING COSTS (Notes 11, 19, 22 and 28)	<u>11,711,083</u>	<u>73</u>	<u>13,191,441</u>	<u>68</u>
GROSS PROFIT	<u>4,237,880</u>	<u>27</u>	<u>6,269,702</u>	<u>32</u>
OPERATING EXPENSES (Notes 19 and 22)				
Selling and marketing	66,331	-	73,665	-
General and administrative	267,541	2	312,982	2
Research and development	251,795	2	287,002	1
Expected credit (gain) loss	<u>-</u>	<u>-</u>	<u>(51,037)</u>	<u>-</u>
Total operating expenses	<u>585,667</u>	<u>4</u>	<u>622,612</u>	<u>3</u>
OPERATING INCOME	<u>3,652,213</u>	<u>23</u>	<u>5,647,090</u>	<u>29</u>
NONOPERATING INCOME AND EXPENSES (Notes 4 and 22)				
Interest income	36,467	-	21,407	-
Other income	142,586	1	89,717	1
Other gains and losses	204,803	1	(8,540)	-
Share of loss of subsidiaries (Notes 4 and 12)	<u>(7,137)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating income and expenses	<u>376,719</u>	<u>2</u>	<u>102,584</u>	<u>1</u>
INCOME BEFORE INCOME TAX	4,028,932	25	5,749,674	30
INCOME TAX EXPENSE (Notes 4 and 23)	<u>870,762</u>	<u>5</u>	<u>1,146,912</u>	<u>6</u>
NET INCOME	<u>3,158,170</u>	<u>20</u>	<u>4,602,762</u>	<u>24</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)	(35,628)	-	295	-
Unrealized loss on investments in equity instruments designated as at fair value through other comprehensive income (Notes 4 and 20)	<u>(202,468)</u>	<u>(2)</u>	<u>(6,577)</u>	<u>-</u>
	<u>(238,096)</u>	<u>(2)</u>	<u>(6,282)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,920,074</u>	<u>18</u>	<u>\$ 4,596,480</u>	<u>24</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 5.55</u>		<u>\$ 8.09</u>	
Diluted	<u>\$ 5.44</u>		<u>\$ 7.97</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, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Share Capital Issued and Outstanding		Capital Surplus	Retained Earnings		Other Equity	Total Equity
	Share (Thousands)	Amount		Legal Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Investments in Equity Instruments Designated as at Fair Value Through Other Comprehensive Income	
BALANCE, JANUARY 1, 2021	568,846	\$ 5,688,459	\$ 2,154	\$ 3,260,735	\$ 8,994,310	\$ 51,061	\$ 17,996,719
APPROPRIATION OF 2020 EARNINGS							
Legal reserve	-	-	-	263,885	(263,885)	-	-
Cash dividends to shareholders - NT\$3.1 per share	-	-	-	-	(1,763,422)	-	(1,763,422)
Capital surplus - donations from shareholders	-	-	128	-	-	-	128
Net income for the year ended December 31, 2021	-	-	-	-	4,602,762	-	4,602,762
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	295	(6,577)	(6,282)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	4,603,057	(6,577)	4,596,480
BALANCE, DECEMBER 31, 2021	568,846	5,688,459	2,282	3,524,620	11,570,060	44,484	20,829,905
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	<u>568,846</u>	<u>\$ 5,688,459</u>	<u>\$ 2,282</u>	<u>\$ 3,984,926</u>	<u>\$ 11,388,066</u>	<u>\$ (157,984)</u>	<u>\$ 20,905,749</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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Current income before income tax	\$ 4,028,932	\$ 5,749,674
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation	3,077,198	2,899,102
Amortization	25,593	28,337
Expected credit gain recognized on accounts receivables	-	(51,037)
Net loss (gain) on fair value change of financial instruments designated as at fair value through profit or loss	20,727	(22,144)
Finance costs	184	151
Interest income	(36,467)	(21,407)
Dividend income	(75,888)	(39,445)
Share of loss of subsidiaries	7,137	-
Net gain on disposal of property, plant and equipment	(729)	(819)
Classification from property, plant and equipment to expenses	2	-
Recognition of inventory valuation and obsolescence losses	75,000	21,516
Net (gain) loss on foreign currency exchange	(44,192)	8,652
Premium amortization of financial assets at amortized cost	-	1
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss	31,250	70,490
Decrease (increase) in contract assets	12,764	(247,735)
Decrease (increase) in notes receivable	110,832	(35,882)
Decrease (increase) in accounts receivable	1,739,533	(646,692)
Decrease (increase) in accounts receivable from related parties	266,468	(85,171)
Increase in inventories	(133,889)	(612,431)
Decrease (increase) in prepaid expenses and other current assets	8,790	(83,168)
Increase in contract liabilities	35,382	108,148
Increase (decrease) in notes payable	3,217	(189)
(Decrease) increase in accounts payable	(963,555)	432,965
(Decrease) increase in accrued compensation to employees and remuneration to directors	(247,752)	327,147
(Decrease) increase in accrued expenses and other accounts payable	(118,470)	376,315
Decrease in net defined benefit liability	(76,448)	(6,821)
Cash generated from operations	7,745,619	8,169,557
Interest received	37,895	22,840
Interest paid	(184)	(151)
Income tax paid	(1,409,220)	(777,637)
Net cash provided by operating activities	<u>6,374,110</u>	<u>7,414,609</u>

(Continued)

GREATEK ELECTRONICS INC.

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

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash outflow on acquisition of subsidiary	\$ (171,523)	\$ -
Purchase of financial assets at fair value through other comprehensive income	(160,028)	(398,044)
Proceeds from financial assets at amortized cost	400,000	300,000
Acquisition of property, plant and equipment	(4,386,077)	(5,419,052)
Disposal of property, plant and equipment	1,037	1,077
Increase in refundable deposits	(95)	(155)
Increase in intangible assets	(11,495)	(18,773)
Increase in other non-current assets	-	(25,000)
Dividend received	<u>75,888</u>	<u>39,445</u>
Net cash used in investing activities	<u>(4,252,293)</u>	<u>(5,520,502)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits	390,164	-
Repayment of the principal portion of lease liabilities	(1,396)	(1,229)
Cash dividends distributed	(2,844,230)	(1,763,422)
Donations from shareholders	<u>-</u>	<u>128</u>
Net cash used in financing activities	<u>(2,455,462)</u>	<u>(1,764,523)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>83,277</u>	<u>(17,162)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(250,368)	112,422
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,047,129</u>	<u>3,934,707</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,796,761</u>	<u>\$ 4,047,129</u>

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

Greatek Electronics Inc.**Table of Earnings Distribution**

Year 2022

Unit: NT\$

Beginning undistributed profits	\$	8,265,524,703	
Actuarial gains and (losses) included in retained earnings) (Description 1)	(35,628,079)	
Reversal of special reserve		0	
Add: net income for this period		<u>3,158,169,915</u>	
Distributable earnings for this period			\$ 11,388,066,539
Earnings distributions:			
Appropriation of legal reserve (Description 2)	(312,254,184)	
Appropriation of Special reserve	(157,983,926)	
Shareholders' dividends (NT\$3.7 per share)	(<u>2,104,729,908)</u>	(2,574,968,018)
Ending retained earnings			<u>\$ 8,813,098,521</u>

Note 1: Pursuant to the Directive Letter No. 871941343 issued by the Ministry of Finance dated on April 30, 1998, the earnings distribution shall be calculated by using the specific identification method. The distribution principle of Greatek's earnings is to distribute the distributable earnings in 2022 first. If there are deficiencies, the undistributed earnings accumulated in previous years will be distributed in the order of last-in-first-out (LIFO) according to the year in which the earnings are generated.

Description 1. Remeasurement of defined benefits plan arising from adoption of IAS 19 (recognized in other comprehensive income or losses).

Description 2. Pursuant to the Explanatory Letter No. 10802432410 dated January 9, 2020 from the Ministry of Economic Affairs, for those using "net income after tax" as the basis for appropriating legal reserve, since preparing the earnings distribution for 2019 financial statements, the Company shall appropriate legal reserve based on the "net income after tax for the period, plus the amount of items other than net income after tax included in the undistributed earnings of the year".

Supplementary Note for Issuance of overseas or domestic Corporate bonds in private placement

1. Issuer

Greatek Electronics Inc. (“Issuer” or “GTK”).

2. Issuance Size

The Board of Directors (“Board”) is authorized, within the limit of 56,870,000 common shares or NTD5 billion Bonds(or oversea currency exchange equivalent), to issue new common shares for cash to sponsor issuance of the overseas depositary shares (“DRs”) and/or issue new common shares for cash in public offering and/or issue new common shares in private placement and/or issue overseas or domestic bonds in private placement (“Private Placement Ordinary corporate bonds or convertible bonds”) and/or issue overseas or domestic bonds(“Ordinary corporate bonds or convertible bonds”). For issuance of overseas or domestic convertible bonds in private placement (“private placement corporate Bonds”), the number of common shares to be converted within the limit of 56,870,000 common shares shall be calculated in accordance with the conversion price determined at the time of issuance of Private Placement corporate Bonds.

3. Issuance Date

The Private Placement corporate Bonds will be issued within one year after the 2023 annual general shareholders’ meeting, provided that the Private Placement corporate Bonds should be issued by the Company at one time or several times (no more than 3 times).

4. Issuance Method

The Private Placement corporate Bonds will be issued in accordance with Article 43-6 of the Securities and Exchange Act and the regulations of the jurisdiction where the Private Placement corporate Bonds is issued.

The investors subscribing to the Private Placement corporate Bonds must meet the qualifications listed in Article 43-6 of the Securities and Exchange Act and are limited to strategic investor(s). Priority will be given to the investor(s) who could benefit the Company's long term development, competitiveness, and existing shareholders' rights. The Board is fully authorized to determine the specific investor(s). The purpose, necessity and projected benefits for having strategic investor(s) are to accommodate the Company's operation and development needs to have the strategic investor(s) to assist the Company, directly or indirectly, in its finance, business, manufacturing, technology, procurement, management, and strategy development, etc. so to strengthen the Company's competitiveness and enhance its operational efficiency and long term development.

5. Form, Denomination and Issuance Price

The Private Placement corporate Bonds will be issued in registered form in denomination of US\$10,000 or multiples thereof or NT\$100,000 or multiples thereof and the issue price shall be no less than 85% of the theoretical price.

6. Coupon Rate

To be determined by the Board, depending on the market conditions.

7. Term

The term of the Private Placement corporate Bonds shall not be more than seven years.

8. Redemption

Unless previously redeemed, converted, or purchased and cancelled, the Private Placement corporate Bonds will be redeemed by the Issuer at the maturity date in cash at a price equal to the par value or the par value plus the interest.

9. Conversion Securities

The Private Placement corporate Bonds will be convertible into GTK's common shares or the DRs representing GTK's common shares.

10. Private Placement CB Conversion

(1) Conversion Period:

Unless previously redeemed, purchased, cancelled or converted, except during the closed period the holders are not permitted to convert under the Indenture, a holder of the Private Placement CB may request the Issuer to convert the Private Placement CB into PTI's common shares or DRs at any time after a designated period of time following the issuance date of the Private Placement CB and until certain days prior to the maturity date in accordance with applicable rules and regulations and terms of the Indenture.

(2) Conversion Procedure:

To exercise the relevant conversion rights attached to the Private Placement CB, the holder thereof must deposit with the Issuer a notice of conversion together with the Private Placement CB and any other documents or certificates required by ROC laws.

(3) Conversion Price Determination:

The conversion price of the Private Placement CB shall be no less than 80% of (x) the simple average closing price of the Issuer's common shares for 1, 3 or 5 trading days prior to the pricing date, after adjustment for shares issued as stock dividends, shares cancelled in connection with capital reduction and the cash dividends, or (y) the simple average closing price of the Issuer's common shares for 30 trading days prior to the pricing date, after adjustment for shares issued as stock dividends, shares cancelled in connection with capital reduction and the cash dividends. It is proposed for the shareholders meeting to authorize the Board to determine the actual conversion price in accordance with applicable rules and regulations.

(4) Dividend Entitlement at Conversion

Prior to conversion of the Private Placement CB, holders are not entitled to receive any dividend distribution. Following the conversion of the Private Placement CB, the rights to receive dividend payments will be the same as

the other common shareholders of the Issuer.

(5) Rights and Obligations after Conversion

Except that the Private Placement CB is subject to the selling restrictions within three years after the delivery date of the Private Placement CB under Article 43-8 of the Securities and Exchange Act, the new common shares to be issued upon conversion of Private Placement CB will have the same rights and obligations as the Company's existing issued and outstanding common shares.

11. Early Redemption at the Option of the Issuer

Authorize the Board to determine according to the conditions of private placement.

12. Holders' Put Option

The Issuer may choose not to grant holders' put option, or after expiry of a designated period following issuance of the Private Placement corporate Bonds, holders may require the Issuer to redeem all or part of the Private Placement corporate Bonds at a price that would result in certain annual yield on the Private Placement corporate Bonds.

13. Others

The Board is authorized to determine and amend, at its sole discretion, the terms and conditions of the Private Placement corporate Bonds and other matters which are not addressed herein.

Appendix 1

Greatek Electronics Inc.

Rules of Procedure for Shareholders' Meeting

Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. Unless otherwise provided by relevant laws, regulations or Article of Incorporation, shall be conducted in accordance with these Rules and Procedures of Shareholders' Meetings.

Article 2: Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting. The Company shall also prepare the shareholders' meeting agenda and supplemental meeting materials 15 days before the date of the Meeting, and made them available to Shareholders for review at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any other matters under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an Extempore Motion.

Where re-election of directors and their date of assumption of duty are stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting, such date may not be altered by any Extempore Motions.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of proposal is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item

will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 3: For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 4: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. .

Article 5: The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders to hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a legal entity is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a legal entity is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 6: If a shareholders meeting is convened by the board of directors, the

meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall also be applied to a representative of a legal entity that serves as chair.

It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more of such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 7: The Company, beginning from the time it accepts shareholder attendance registrations, shall make an audio and video recording of the registration procedure, the proceedings of the shareholders

meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 8: Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 9: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene other than the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 10: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name.

The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a

shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the Chairman, each shareholder shall not speak for more than two times on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought for and obtained the consent of both the Chairman and the shareholder in speaking; the chair shall stop any violation in that regard.

When a legal entity shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond him/herself or direct relevant personnel to respond.

Article 11: Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total

number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 12: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting

rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 13: The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be

announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 14: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

Article 15: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 16: Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The Chairman may direct the disciplinary officers or security personnel to help maintain order at the Meeting place. When disciplinary officers or security personnel are on duty of maintaining order, they shall wear an armband bearing the word “Disciplinary Officer” for identification purpose.

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the devices set up by the Company, the chair may prevent the shareholder from speaking.

When a person violates the rules of procedure and defies the Chairman’s correction, obstructing the proceedings and refusing to heed calls to stop, the Chairman, disciplinary officers or security personnel may escort the person from the Meeting.

Article 17: When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 18: These Rules shall take effect after having been submitted to and

approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Greatek Electronics Inc.

Articles of Incorporation

Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the regulations of the Company Act and registered under the name of Greatek Electronics Inc.

Article 2: The business scope of Greatek is as indicated as follows:

1. Manufacturing, testing, packaging, and trading of all types of integrated circuit (IC).
2. Design of the businesses in the preceding item.
3. Bidding, quotation, and distribution of the aforementioned products for both domestic and international manufacturers.
4. Import and export business related to the aforementioned products.
5. F401021 Restrained telecom radio frequency equipment and materials import.
6. All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company's head office is situated in Zhunan Township, Miaoli District. If necessary, the Company may set up domestic or international branches or offices upon the resolution of the Board of Directors and the approval of the competent authority.

Article 4: The Company may, as necessary in its business, invest outside the Company, and may, by resolution of the Board of Directors, be a shareholder of limited liabilities of other companies. The total amount of its investment may not be restricted by the amount of investment specified in Article 13 of the Company Act.

Article 4-1: The Company may act as a guarantor.

Chapter 2 Shares

- Article 5: The authorized capital of the Company is NT\$7 billion divided into 700 million shares. The par value of each share is NT\$10, and all shares are ordinary shares, of which the Board of Directors is authorized to issue the shares in separate installments.
- Within the aforementioned capital, 20,000,000 shares are reserved for the holders of employee stock warrants.
- Article 5-1: Transfer of shares to employees at prices below the Company's actual average repurchase price or issue of employee stock options below the market price (net worth per share) are subject to resolution from a Shareholders' Meeting which must be attended by more than one-half of the total number of outstanding shares, and voted in favor by more than two thirds of votes present.
- Article 6: The share certificates of the Company shall without exception be in registered form, signed by, or affixed with seals of, at least three Directors, and authenticated by the competent authority before issuance.
- The Company may issue shares without printing share certificates, which shall be registered with Taiwan Depository & Clearing Corporation.
- Article 7: The share certificates of the Company shall be name-bearing, and the shareholders shall submit his/her actual name and address to the Company to be recorded in a list of shareholders' register. A specimen of the shareholders' seals shall also be kept at the Company for verification, and the seal record shall be updated when the seal has been replaced. Shareholders shall apply the same seals used in the seal specimens when receiving dividends or exercising other rights of shareholders from the Company.
- Article 8: All entries in the shareholders' register due to share transfers shall be suspended for 60 days prior to an Annual Shareholders' Meeting; for 30 days prior to an Interim Shareholders' Meeting; and for 5

days prior to the record date fixed for distributing dividends or other benefits.

Article 9: Deleted.

Article 10: Deleted.

Chapter 3 Shareholders' Meeting

Article 11: Shareholders' Meetings of the Company are of two kinds: Annual Shareholders' Meetings and Interim Shareholders' Meetings. Annual Meetings are convened on a yearly basis and within six months after the end of each fiscal year by the Board of Directors in accordance with the relevant regulations. Interim Shareholders' Meetings may be convened in accordance with applicable laws and regulations whenever necessary.

Article 12: A shareholder unable to attend the Shareholders' Meeting in person may appoint a proxy to attend the Meeting by using the proxy form issued by the Company and specifying the scope of proxy, and in line with the Company Act and the "Rules on Use of Letter of Entrustment for Attending Shareholders' Meeting at Public Listed Companies" announced by the competent authority. Electronic voting is one way in which the shareholders of the Company may exercise their voting rights. The relevant matters are specified in accordance with regulations from the competent authority.

Article 13: Unless otherwise regulated by the Company Act and restricted voting rights, each share of the Company is entitled to one vote per share.

Article 14: Except as otherwise provided by the Company Act, resolutions of a Shareholders' Meeting shall be adopted at a Meeting attended by shareholders representing more than half of the total number of issued shares, and at which more than half of the shareholders vote in favor of such resolutions.

Article 15: The Chairman of the Board of Directors shall be the Chairman presiding at the Meeting if the Meeting is convened by the Board. If, for any reason, the Chairman of the Board cannot preside at the Meeting, the Chairman shall appoint one of the Directors from the Board to preside. If there is no such designation, the Directors shall elect from among themselves one person to act on behalf of the Chairman at the Meeting. In cases where the Meeting is convened by any person who is also entitled to, other than the Board of Directors, the person shall preside at the Meeting as the Chairman. If there is more than one person convened, they shall elect from among themselves one person to act as the Chairman.

Article 16: Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the Meeting Minutes. The Meeting Minutes shall be signed or sealed by the Chairman of the Meeting and a copy distributed to each shareholder within 20 days after the conclusion of the Meeting.

The Meeting Minutes may be disseminated by way of public announcement.

Chapter 4 Directors and Audit Committee

Article 17: The Company shall have nine Directors to be elected from persons having legal capacity at a Shareholders' Meeting. Each Director shall hold office for a term of three years and is eligible for re-election.

Of the aforementioned number of Directors, three shall be Independent Directors.

The election of Directors is conducted based on a candidate nomination system. The nomination of Directors of the Board shall be processed and announced in accordance with the Company Act, the Securities and Exchange Act and other applicable laws.

Pursuant to Article 14-4 of the Securities and Exchange Act, the Company has set up the Audit Committee, which shall consist of the entire Independent Directors. The Audit Committee and its

members shall be responsible for the implementation of supervisors' duties under the Company Act, the Securities and Exchange Act, and other applicable regulations.

Article 18: The Board of Directors is formed by the Directors. The Chairman, who represents the Company externally, is selected by more than half of the votes of the Directors present at a Meeting of the Board attended by two-thirds or more of the Company's Directors. When the Chairman is on leave or unable to perform his/her duties, a designated proxy shall perform his/her duties in accordance with the provisions of Article 208 of the Company Act.

Article 19: The Board of Directors' Meeting shall be convened for at least once every quarter and the notice for the Meeting shall be sent to each Director in writing, email or fax, no less than seven days prior to the Meeting. However, in the event of an emergency, a Board Meeting may be held at any time. In case a Director cannot, for cause, attend the Meeting, he or she may appoint another Director as his/her proxy to attend on his/her behalf. If a Director uses video-calls as a means of participating the Meeting, he/she is also deemed as present.

Unless otherwise provided by the Company Act, resolutions of a Board Meeting shall be adopted by over half of votes of the Directors present at a Meeting attended by more than half of all Directors.

Article 20: When the Company's Directors perform their duties for the Company, the Company may pay remuneration regardless of whether the Company operates at a profit or loss. The Board of Directors is authorized to decide the rates of such remuneration based on the extent of their performance at a level consistent with general practices in the industry domestic or abroad. Remuneration for Independent Directors is paid on a monthly basis and is not involved in the Directors' remuneration specified in Article 24.

Article 21: When the number of Directors falls short by one third of the total number prescribed in the Company's Articles of Incorporation, the Company shall call an Interim Shareholders' Meeting within a legally stipulated time period to hold a by-election to fill the vacancies. The term of office shall expire when the unexpired term of office of the predecessor is filled.

Chapter 5 Managers

Article 22: The Company may designate a Chief Executive Officer (CEO) and a President upon resolution from the Board of Directors. The appointment, dismissal, and remuneration of the CEO and President shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 23: At the close of each fiscal year, the Board of Directors shall prepare the following statements and records: (1) Business Report, (2) financial statements, and (3) earnings distribution or deficit compensation proposal, which shall be presented at an Annual Shareholders' Meeting for ratification.

Article 24: 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, profit shall first be used to offset accumulated losses.

The preceding compensations for employees may be distributed in shares or cash, and employees may include the employees of the Company's controlled companies meeting specific requirements set out by the Board. The remuneration to Directors may only be distributed in cash.

The preceding two paragraphs shall be determined by the resolution by the Board of Directors and reported to the Shareholders' Meeting.

Article 25: After the annual closing of books, if there is a net income after tax for this fiscal year, the Company shall distribute the earnings in the following order:

- I. Offset the accumulated losses (including adjusting undistributed earnings).
- II. After deducting the preceding amount, 10% will be deposited as legal reserve. However, this does not apply if the legal reserve has reached the amount of the Company's total paid-in capital.
- III. Appropriation or reversal of special reserve according to laws or competent authority regulations.
- IV. If undistributed earnings are still present after the preceding amounts, the Board shall draft a Proposal for Earnings Distribution in combination with any accumulated undistributed earnings, and submit it to the Shareholders' Meeting for resolution on the distribution of shareholder dividends.

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.

Chapter 7 Supplemental Provisions

Article 26: Matters not addressed by these Articles of Incorporation shall be governed by the Company Act.

Article 27: These Articles of Incorporation were adopted on February 3, 1983. The first amendment was made on June 6, 1984. The second amendment was made on June 13, 1985. The third amendment was made on October 28, 1985. The fourth amendment was made on June 14, 1986. The fifth amendment was made on July 26, 1987.

The sixth amendment was made on September 19, 1987. The seventh amendment was made on September 1, 1988. The eighth amendment was made on October 7, 1988. The ninth amendment was made on November 2, 1988. The tenth amendment was made on April 16, 1993. The eleventh amendment was made on September 29, 1995. The twelfth amendment was made on October 10, 1995. The thirteenth amendment was made on June 25, 1996. The fourteenth amendment was made on April 20, 1998. The fifteenth amendment was made on May 20, 1999. The sixteenth amendment was made on April 18, 2000. The seventeenth amendment was made on October 6, 2000. The eighteenth amendment was made on May 30, 2001. The nineteenth amendment was made on May 30, 2001. The twentieth amendment was made on June 3, 2002. The twenty-first amendment was made on June 3, 2003. The twenty-second amendment was made on June 1, 2004. The twenty-third amendment was made on June 13, 2005. The twenty-fourth amendment was made on June 12, 2006. The twenty-fifth amendment was made on June 11, 2007. The twenty-sixth amendment was made on June 13, 2008. The twenty-seventh amendment was made on June 10, 2009. The twenty-eighth amendment was made on June 14, 2010. The twenty-ninth amendment was made on April 3, 2012. The thirtieth amendment was made on June 28, 2012. The thirty-first amendment was made on June 10, 2013. The thirty-second amendment was made on June 11, 2014. The thirty-third amendment was made on June 10, 2015. The thirty-fourth amendment was made on June 7, 2016. The thirty-fifth amendment was made on May 31, 2017. The thirty-sixth amendment was made on May 29, 2018.

Greatek Electronics Inc.

Chairman Boris Hsieh

Appendix 3

Greatek Electronics Inc.
Shareholding Status of Directors

As of March 31, 2023

Position	Name	Shares held as of the closure of the shareholders' register
Chairman	Representative of Powertech Technology Inc. Boris Hsieh	244,064,379
Director	Representative of Powertech Technology Inc. D.K. Tsai	244,064,379
Director	Representative of Powertech Technology Inc. Louis Ning	244,064,379
Director	Representative of Powertech Technology Inc. J.S. Leu	244,064,379
Director	Representative of Powertech Technology Inc. Yu-Chin Chen	244,064,379
Director	Representative of Hung-Wei Venture Capital Co., Ltd. Jr-Neng Chang	5,823,602
Independent Director	Chu-Chien Feng	0
Independent Director	Chi-Yung Wu	0
Independent Director	M.J. Chuang	0
Total		249,887,981

- I. Greatek's paid-in capital is NT\$5,688,459,210 and the number of issued shares is 568,845,921 shares.
- II. Pursuant to Article 26 of the Securities and Exchange Act and "Rules and

Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the minimum number of shares collectively held by all Directors of the Company shall be 4%, or 22,753,837 shares.

III. The Company has elected three Independent Directors, and the share ownership of all non-Independent Directors shall be reduced to 80% of the rate set in the preceding paragraph. Therefore, the minimum number of shares to be held by all non-Independent Directors shall be 18,203,069 shares.

IV. The Company has established the Audit Committee; therefore, there is no applicable legal requirement for Supervisor's shareholding.

Appendix 4

- I. The Effect of the Current Fiscal Year's Dividend Distributions on the Company's Operational Performance and Earnings per Share:
Not applicable; the earnings distribution is all paid out in cash.

- II. Reasons for Exclusion from the Shareholders' Meeting Agenda of Any Proposals Raised by Shareholders in Accordance with Article 172-1 of the Company Act:
Not applicable; Greatek did not receive any proposal raised by shareholders during the proposal acceptance period set forth from March 20, 2023 to March 30, 2023.