



超豐電子股份有限公司
GREATEK ELECTRONICS INC.

2024 Annual Shareholders' Meeting
Meeting Minutes
(Translation)

Type of Meeting : Physical Meeting

Time and date : 9:00 am on Monday, May 27, 2024

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

Total outstanding Greatek shares : 568,845,921 shares

Total shares represented by shareholders present in person or by proxy :
417,825,379 shares

Percentage of shares held by shareholders present in person or by proxy :
73.45%

Directors Present : Powertech Technology Inc. Representative: Mr. Boris Hsieh ,
Mr. D.K. Tsai , Mr. Louis Ning,

Hung-Wei Venture Capital Co., Ltd. Representative: Jr-Neng
Chang

Mr. Chu-Chien Feng (Independent Director and Chairman
of the Audit Committee and Remuneration Committee)

Mr. Chi-Yung Wu (Independent Director and member of the
Audit Committee and Remuneration Committee)

Attendees : Mr. Cheng-Chih Lin (CPA of Deloitte and Touche),

Mr. Yu-His Chang (Attorney-at-Law of Lih Cheng Law Office)

Chairman : Mr. Boris Hsieh, Chairman of the Board of Directors

Recorder : Ms. Sheng Chen

I. The aggregate shareholding of the shareholders presents in person or proxy
constituted a quorum. The Chairman called the meeting to order.

II. Chairman's Address (Omitted)

III. Reporting Items

1. Ratification of the 2023 Business Report. (See Attachment 1)
2. The Audit Committee's Review Report. (See Attachment 2)
3. 2023 Employee Compensation and Director Remuneration Distribution Report.

Explanatory notes :

- (1) In regards to the employees' compensations and Directors' remunerations in 2023, on February 23, 2024, the Board of Directors has appropriated NT\$293,309,314 and NT\$58,661,863 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 2023 financial statements. All distributions were paid in cash.
4. Report to the handling status for the resolution of 2023 Regular Shareholders' Meeting for conducting [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) Shareholders meeting to authorize the Board of Directors ("Board") on May 30, 2023, within the limit of 56,870,000 common shares or NTD5 billion Bonds (or overseas currency exchange equivalent), depending on the market conditions and the Company's capital needs, to choose appropriate timing and fund raising instrument(s), to [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”)] .

- (2) Considering the capital market conditions and the fact that the private placement will be expired for one year and no suitable strategic investor(s), the Board has resolved to discontinue the private placement offering on February 23, 2024.

(No shareholders commented on the Reporting Items)

IV. Ratification Items

1. Please ratify the 2023 Business Report and financial statements. (Proposed by the Board of Directors)

Explanatory notes:

- (1) The Board of Directors has approved the 2023 Business Report and financial statements in a Board Meeting convened on February 23, 2024. 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) The 2023 Business Report, Independent Auditor's Report and the aforementioned financial statements are attached hereto as Attachment 1,3 and 4.

Shareholder Speech Minutes : None.

Voting Results :

Shares represented at the time of voting : 417,825,379shares.

Voting Results
Votes in favor : 395,406,920 Votes, 94.63% of the total represented share present
Votes against : 179,801 Votes
Votes abstained : 22,238,658 Votes
Votes invalid : 0 Votes

RESOLVED : that the 2023 Business Report and Financial Statements were hereby accepted as submitted.

2. Please ratify the 2023 Earnings Distribution. (Proposed by the Board of Directors)

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 23, 2024.
 - (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) The 2023 Table of Earnings Distribution is attached hereto as Attachment 5.
- Shareholder Speech Minutes : None.

Voting Results :

Shares represented at the time of voting : 417,825,379shares.

Voting Results
Votes in favor : 396,785,618 Votes, 94.96% of the total represented share present
Votes against : 294,643 Votes
Votes abstained : 20,745,118 Votes
Votes invalid : 0 Votes

RESOLVED, that the above proposal was hereby approved as proposed.

V. Elections

The 11th Election of Board Members. (Proposed by the Board of Directors)

Explanatory notes:

- (1) The term of office of Greatek's 10th Board will be completed on July 20, 2024. Upon resolution from the Board of Directors in line with the Company Act, an election for nine Directors, including three Independent

Directors, will be held during this Shareholders' Meeting.

- (2) The newly elected Directors and Independent Directors will immediately assume his/her position after election, and his/her term will be for three years, beginning on May 27, 2024 and terminating on May 26, 2027.
- (3) In accordance with the Articles of Incorporation, the candidate nomination system is adopted for the election of Directors, and the shareholders shall elect from a list of candidates. List of Director (include Independent Director) Candidates and their educational background, experience, and other relevant information is attached hereto as Attachment 6.

Election Results:

Position	Name	Votes Received
Director	Powertech Technology Inc. Representative: Boris Hsieh	392,828,300
Director	Powertech Technology Inc. Representative: D.K. Tsai	370,709,729
Director	Powertech Technology Inc. Representative: J.S. Leu	364,387,092
Director	Powertech Technology Inc. Representative: Y.C. Chi	363,651,516
Director	Powertech Technology Inc. Representative: Jim Lin	363,440,206
Director	Hung-Wei Venture Capital Co., Ltd. Representative: Ingrid Fu	363,396,305
Independent Director	Kevin H. Hsieh	362,962,645
Independent Director	Chi-Yung Wu	362,842,581
Independent Director	Jiin-Chuan Wu	362,792,131

VI. Discussion Items

Please discuss the proposal to release the newly elected directors and representative of corporate director from the non-compete restrictions.
(Proposed by the Board of Directors)

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 11th term of the directors and representative of corporate director from the non-compete business contents. List of Proposed Release of Non-Comperition Restriction on Directors is attached hereto as Attachment 7.

Shareholder Speech Minutes : None.

Voting Results :

Shares represented at the time of voting : 417,825,379shares.

Voting Results
Votes in favor : 390,854,232 Votes, 93.54% of the total represented share present
Votes against : 400,600 Votes
Votes abstained : 26,570,547 Votes
Votes invalid : 0 Votes

RESOLVED, that the above proposal was hereby approved as proposed.

VII. Extempore Motions

None.

VIII. Adjournment

(Meeting was adjourned at AM 9:46 on the same day.)

Attachment 1

Greatek Electronics Inc.

2023 Business Report

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

I. Implementation results of the 2023 Business Report:

After the second half of 2022, the semiconductor industry experienced a sharp downturn. The overall economy was weak, the end demand was sluggish, and the consumption of the business and consumer markets disappointed. The 2023 operating revenue was NT\$13.57 billion,

representing a 14.9% decrease from NT\$15.95 billion in 2022. Consolidated gross margin was 20.9%, showing a 5.6% decline from 26.5% in 2022. In terms of earnings, the consolidated net income after tax was NT\$1.997 billion, representing a 36.8% lessen from NT\$3.158 billion in 2022. The consolidated earnings per share (EPS) was NT\$3.51, which was reduced by 36.8% from NT\$5.55 in 2022.

II. Budget implementation:

Greatek did not disclose its financial forecast in 2023.

III. Financial Revenue and Profitability Analysis:

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

1. Financial Income & Expenditure

Consolidated Statements of Cash flows in 2023:

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

2. Profitability Analysis

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

IV. Research & Developments

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

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

V. Summary of the 2024 Business Plan

1. Operating Directions and Production and Marketing Policies

- (1) By upholding a customer and service-oriented approach, the Company will enhance its overall quality, technologies, and efficiency. And expand the product line according to the needs of

customers in order to provide professional services that satisfy its customers.

- (2) To invest prudently and to fully utilize our facilities and equipment so as to realize the maximum benefits from our production capacity.
- (3) To actively research and develop new processes and new materials; to reduce costs; to achieve operating goals; and to generate profit.
- (4) Founded on integrity, Greatek will make lasting and stable profits for the Company and its customers and suppliers.
- (5) To establish a fair, reasonable and comprehensive system and to build an ideal work environment for the employees in order to build collective awareness, cohesion, and teamwork.
- (6) The Company will strengthen professional training, encourage lifelong learning, and train talents to achieve sustainable management.
- (7) To upgrade both software and hardware and to build effective preventive systems and management mechanisms; to actively protect Greatek's information security; and to provide a safe operating and production environment.
- (8) Striving for corporate sustainable development, Greatek is committed to environmental protection, energy conservation and carbon reduction, corporate governance, and corporate social responsibilities.

2. Sales Volume Estimate

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

Sales item	Estimated sales volume
Packaging	Approx. 8.3 billion units
W/T testing	Approx. 450,000 units

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

3. Future Growth Strategies

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

The World Economic Outlook report, published by the IMF in January 2024, indicated that under the impact of inventory clearance and tight monetary policies, the 2024 global inflation rate is expected to decrease to 5.8%. As the United States, emerging markets, and developing economies have shown strong resilience, and

China has provided financial support, the 2024 global GDP is expected to be 3.1%. WSTS estimated in February 2024 that the global semiconductor market will experience a strong growth of 13.1% in 2024, with production value reaching a record high of US\$595.8 billion. In December 2023, Gartner predicted that the semiconductor revenue for 2024 would grow to US\$624.0 billion, up 16.8% from the previous year. The global economy is dynamic and changeful and full of various uncertainties, and regionalization of supply chains, uncertain economic prospects of China, global financial market volatility due to monetary policy trends of major economies, complex geopolitical issues, climate change, etc., affect the supply and demand, as well as the price of energy, agricultural and industrial raw materials. Based on the insights of major economic forecasting agencies, 2024 is expected to be a year containing silver linings.

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

Chairman: Boris Hsieh

President: Louis Ning

Accounting Manager: Mei-Ling Lin

Review Report from the Audit Committee

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

To

2024 Annual Shareholders' Meeting of Greatek Electronics Inc.

Greatek Electronics Inc.

Chairman of the Audit Committee:

Chu-Chien Feng

Published on February 23, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Greatek Electronics Inc.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Contract assets and revenue recognition

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

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

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2024

Notice to Readers

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

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

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

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

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

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

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

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

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

(Continued)

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

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

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

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

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

(Concluded)

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

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

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

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

GREATEK ELECTRONICS INC. AND SUBSIDIARIES

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

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

(Continued)

GREATEK ELECTRONICS INC.

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

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

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Greatek Electronics Inc.

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023 and 2022, the financial performance and the cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers

Basis for Opinion

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

Key Audit Matters

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

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

Contract assets and revenue recognition

1. The sales revenue is material to the Corporation. Please refer to Note 21 to the accompanying financial statements for details on sales revenue. The types of transactions include:
 - 1) Semiconductor assembly
 - 2) Semiconductor testing
 - 3) Wafer testing
2. Assembly services: Since the customers have ownership of the assets, assume significant risks and rewards of ownership of the assets, have the right to determine the disposal of the assets and can prevent the Corporation from obtaining the benefits of the assets, revenue should be recognized over time in accordance with the requirements of paragraph 35(b) of International Financial Reporting Standards No. 15.

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

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

Management is responsible for the preparation and fair presentation of the company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures

in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2024

Notice to Readers

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

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

GREATEK ELECTRONICS INC.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022		LIABILITIES AND EQUITY	2023		2022	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,713,162	19	\$ 3,796,761	15	Financial liabilities at fair value through profit or loss - current (Notes 4, 5 and 7)	\$ 6	-	\$ 250	-
Financial assets at fair value through profit or loss - current (Notes 4, 5 and 7)	1,978	-	29,218	-	Contract liabilities - current (Notes 4 and 21)	112,686	1	200,206	1
Financial assets at amortized cost - current (Notes 4, 5 and 9)	50,000	-	50,000	-	Notes payable	3,751	-	6,563	-
Contract assets - current (Notes 4, 21 and 28)	741,563	3	883,364	4	Accounts payable (Note 28)	665,352	3	429,141	2
Notes receivable (Notes 4, 5, 10 and 21)	16,338	-	44,579	-	Payables to equipment suppliers	248,335	1	161,826	1
Accounts receivable (Notes 4, 5, 10 and 21)	2,390,890	10	1,998,096	8	Accrued compensation to employees and remuneration to directors (Notes 4 and 22)	351,971	1	510,689	2
Receivables from related parties (Notes 4, 5, 21 and 28)	397,557	2	169,330	1	Current income tax liabilities (Notes 4 and 23)	82,063	-	248,310	1
Inventories (Notes 4 and 11)	1,003,792	4	1,422,430	6	Lease liabilities - current (Notes 4 and 14)	1,521	-	1,627	-
Prepaid expenses and other current assets (Notes 4, 16 and 28)	128,132	1	209,537	1	Accrued expenses and other current liabilities (Notes 4, 17 and 28)	1,104,076	5	1,300,969	5
					Guarantee deposits - current (Note 18)	70,622	-	70,518	-
Total current assets	9,443,412	39	8,603,315	35	Total current liabilities	2,640,383	11	2,930,099	12
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,663,800	7	934,560	4	Deferred income tax liabilities (Notes 4 and 23)	394	-	151	-
Investments accounted for using the equity method (Notes 4, 12 and 25)	145,019	1	164,386	1	Lease liabilities - noncurrent (Notes 4 and 14)	9,517	-	11,038	-
Financial assets at amortized cost - noncurrent (Notes 4, 5 and 9)	-	-	50,000	-	Guarantee deposits - noncurrent (Note 18)	264,846	1	334,977	1
Property, plant and equipment (Notes 4 and 13)	13,054,498	53	14,469,804	59	Net defined benefit liability - noncurrent (Notes 4 and 19)	29,597	-	210,628	1
Right-of-use assets (Notes 4 and 14)	10,760	-	12,447	-	Total non-current liabilities	304,354	1	556,794	2
Intangible assets (Notes 4 and 15)	27,132	-	39,375	-	Total liabilities	2,944,737	12	3,486,893	14
Deferred income tax assets (Notes 4 and 23)	14,812	-	2,807	-					
Other noncurrent assets (Notes 4, 16 and 29)	115,470	-	115,948	1	EQUITY (Notes 4, 20 and 26)				
Total non-current assets	15,031,491	61	15,789,327	65	Capital stock				
					Common stock	5,688,459	23	5,688,459	23
TOTAL	\$ 24,474,903	100	\$ 24,392,642	100	Capital surplus	2,539	-	2,282	-
					Retained earnings				
					Legal reserve	4,297,180	18	3,984,926	16
					Special reserve	157,984	1	-	-
					Unappropriated earnings	10,812,748	44	11,388,066	47
					Other equity	571,256	2	(157,984)	-
					Total equity	21,530,166	88	20,905,749	86
					TOTAL	\$ 24,474,903	100	\$ 24,392,642	100

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

GREATEK ELECTRONICS INC.

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

	2023		2022	
	Amount	%	Amount	%
NET SALES (Notes 4, 21, 28 and 33)	\$ 13,565,089	100	\$ 15,948,963	100
OPERATING COSTS (Notes 11, 19, 22 and 28)	<u>10,723,312</u>	<u>79</u>	<u>11,711,083</u>	<u>73</u>
GROSS PROFIT	<u>2,841,777</u>	<u>21</u>	<u>4,237,880</u>	<u>27</u>
OPERATING EXPENSES (Notes 19, 22 and 28)				
Selling and marketing	53,069	-	66,331	-
General and administrative	240,407	2	267,541	2
Research and development	<u>241,676</u>	<u>2</u>	<u>251,795</u>	<u>2</u>
Total operating expenses	<u>535,152</u>	<u>4</u>	<u>585,667</u>	<u>4</u>
OPERATING INCOME	<u>2,306,625</u>	<u>17</u>	<u>3,652,213</u>	<u>23</u>
NONOPERATING INCOME AND EXPENSES (Notes 4 and 22)				
Interest income	73,422	1	36,467	-
Other income	129,243	1	142,586	1
Other gains and losses	22,933	-	204,803	1
Share of loss of subsidiaries (Notes 4 and 12)	<u>(19,367)</u>	<u>-</u>	<u>(7,137)</u>	<u>-</u>
Total nonoperating income and expenses	<u>206,231</u>	<u>2</u>	<u>376,719</u>	<u>2</u>
INCOME BEFORE INCOME TAX	2,512,856	19	4,028,932	25
INCOME TAX EXPENSE (Notes 4 and 23)	<u>515,732</u>	<u>4</u>	<u>870,762</u>	<u>5</u>
NET INCOME	<u>1,997,124</u>	<u>15</u>	<u>3,158,170</u>	<u>20</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 19)	2,526	-	(35,628)	-
Unrealized loss on investments in equity instruments designated as at fair value through other comprehensive income (Notes 4 and 20)	<u>729,240</u>	<u>5</u>	<u>(202,468)</u>	<u>(2)</u>
	<u>731,766</u>	<u>5</u>	<u>(238,096)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,728,890</u>	<u>20</u>	<u>\$ 2,920,074</u>	<u>18</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 3.51</u>		<u>\$ 5.55</u>	
Diluted	<u>\$ 3.47</u>		<u>\$ 5.44</u>	

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

GREATEK ELECTRONICS INC.

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

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

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

GREATEK ELECTRONICS INC.

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Current income before income tax	\$ 2,512,856	\$ 4,028,932
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation	3,078,510	3,077,198
Amortization	16,412	25,593
Net (gain) loss on fair value change of financial instruments designated as at fair value through profit or loss	(3,431)	20,727
Finance costs	233	184
Interest income	(73,422)	(36,467)
Dividend income	(82,600)	(75,888)
Share of loss of subsidiaries	19,367	7,137
Net gain on disposal of property, plant and equipment	(5)	(729)
Classification from property, plant and equipment to expenses	-	2
Recognition of inventory valuation and obsolescence losses	-	75,000
Net loss (gain) on foreign currency exchange	19,133	(44,192)
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss	30,427	31,250
Decrease in contract assets	141,801	12,764
Decrease in notes receivable	28,241	110,832
(Increase) decrease in accounts receivable	(437,771)	1,739,533
(Increase) decrease in accounts receivable from related parties	(228,227)	266,468
Decrease (increase) in inventories	418,638	(133,889)
Decrease in prepaid expenses and other current assets	82,571	8,790
(Decrease) increase in contract liabilities	(87,520)	35,382
(Decrease) increase in notes payable	(2,812)	3,217
Increase (decrease) in accounts payable	242,842	(963,555)
Decrease in accrued compensation to employees and remuneration to directors	(158,718)	(247,752)
Decrease in accrued expenses and other accounts payable	(196,893)	(118,470)
Decrease in net defined benefit liability	(178,505)	(76,448)
Cash generated from operations	5,141,127	7,745,619
Interest received	72,256	37,895
Interest paid	(233)	(184)
Income tax paid	(693,741)	(1,409,220)
Net cash provided by operating activities	4,519,409	6,374,110

(Continued)

GREATEK ELECTRONICS INC.

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

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash outflow on acquisition of subsidiary	\$ -	\$ (171,523)
Purchase of financial assets at fair value through other comprehensive income	-	(160,028)
Proceeds from financial assets at amortized cost	50,000	400,000
Acquisition of property, plant and equipment	(1,572,326)	(4,386,077)
Disposal of property, plant and equipment	5	1,037
Decrease (increase) in refundable deposits	478	(95)
Increase in intangible assets	(4,169)	(11,495)
Dividend received	<u>82,600</u>	<u>75,888</u>
Net cash used in investing activities	<u>(1,443,412)</u>	<u>(4,252,293)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in guarantee deposits	(66,861)	390,164
Repayment of the principal portion of lease liabilities	(1,627)	(1,396)
Cash dividends distributed	(2,104,730)	(2,844,230)
Donations from shareholders	<u>257</u>	<u>-</u>
Net cash used in financing activities	<u>(2,172,961)</u>	<u>(2,455,462)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>13,365</u>	<u>83,277</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	916,401	(250,368)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,796,761</u>	<u>4,047,129</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,713,162</u>	<u>\$ 3,796,761</u>

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

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

Year 2023

Unit: NT\$

Beginning undistributed profits	\$	8,813,098,521	
Actuarial gains and (losses) included in retained earnings) (Description 1)		2,525,898	
Reversal of special reserve		157,983,926	
Add: net income for this period		<u>1,997,123,893</u>	
Distributable earnings for this period			\$ 10,970,732,238
Earnings distributions:			
Appropriation of legal reserve (Description 2)	(199,964,979)	
Appropriation of Special reserve		0	
Shareholders' dividends (NT\$2.5 per share)	(<u>1,422,114,803)</u>	(1,622,079,782)
Ending retained earnings			<u><u>\$ 9,348,652,456</u></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 2023 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".

List of Director (include Independent Director) Candidates

Director Candidate	Gender	Education/Experience	Current Positions	Shareholding (shares)
Powertech Technology Inc. Representative: Boris Hsieh	Male	Executive MBA, National Chiao Tung University President of Kingston Technology Far East Co., Ltd. Vice President of Hon Hai Precision Industry Co., Ltd. Senior Vice President of Powertech Technology Inc. President of Chu Cheng Technology Ltd.	Chairman of Greatek Electronics Inc. Chief Executive Officer of Powertech Technology Inc. Legal Representative Director of Powertech Technology Inc. Director of Tera Probe, Inc. Chairman of Get-Team Tech Corporation	244,064,379
Powertech Technology Inc. Representative: D.K. Tsai	Male	Department of Industrial Engineering, National Taipei University of Technology General Manager of Kingston Technology Far East Corp. Chairman of Kingston Technology Far East Co., Ltd. Legal Representative Director of Powertech Technology (Suzhou) Ltd.	Chief Strategy Officer of Powertech Technology Inc. Chairman of Powertech Technology Inc. Director of Tera Probe, Inc. Legal Representative Director of Greatek Electronics Inc. Legal Representative Director of Powertech Holding (B.V.I.) Inc. Legal Representative Director of PTI Technology (Singapore) Pte. Ltd. Director of Powertech Technology Akita Inc. Executive Director of Powertech Technology Japan Ltd. Legal Representative Director of Powertech Technology (Singapore) Pte. Ltd. Independent Director of Chicony Power Technology Co., Ltd. Chairman of PTI Education Foundation	244,064,379
Powertech Technology Inc. Representative: J.S. Leu	Male	Department of Mechanical Engineering, Feng Chia University Senior Vice President of Powertech Technology Inc. Chairman of Powertech Technology (Suzhou) Ltd.	Legal Representative Director of Greatek Electronics Inc. Chairman of Powertech Semiconductor (Xian) Co., Ltd. Director of Powertech Technology Inc. President of Powertech Technology Inc. Legal Representative Director of Powertech Technology (Singapore) Pte. Ltd. Legal Representative Director of PTI Technology (Singapore) Pte. Ltd. Legal Representative Director of Longforce (Suzhou) Ltd.	244,064,379
Powertech Technology Inc. Representative: Y.C. Chi	Male	EMBA from National Central University Senior Vice President of Powertech Technology Inc.	Chief Operating Officer and Executive Vice President of Greatek Electronics Inc.	244,064,379
Powertech Technology Inc. Representative: Jim Lin	Male	Ph. D of Power Mechanical Engineering from National Tsing Hua University Manager of TSMC Senior Director of Powertech Technology Inc.	AVP of Powertech Technology Inc.	244,064,379
Hung-Wei Venture Capital Co., Ltd. Representative: Ingrid Fu	Female	Master Degree in Master Degree in Accounting, National Chengchi University Assistant Manager of KPMG	AVP of Realtek Semiconductor Corporation Supervisor of Cortina Systems Taiwan Limited Director of Ubilinx Technology Inc. Director of Realtek Semiconductor (Malaysia) SDN. BHD. Supervisor of Realtek Korea Inc.	5,823,602

Independent Director Candidate	Gender	Education/Experience	Current Positions	Shareholding (shares)
Kevin H. Hsieh	Male	Department of Economics ,National Chung Hsing University Manager of Bank of Taiwan : East Taoyuan Branch , Offshore Banking Unit ,Tokyo Branch, New York Branch, Minchuan Branch, Finance Department Supervisor of TFASC Director of Hua Nan Financial Holdings Co., Ltd. Director of Hua Nan Commercial Bank ,Ltd Vice President of Bank Taiwan Securities Co., Ltd. President and Director of Bank Taiwan Securities Co., Ltd.	None	0
Chi-Yung Wu	Male	Department of Electrical Engineering, Feng Chia University Chairman of Holtek Semiconductor Inc.	Chairman of Holtek Semiconductor Inc. Chairman of Holtek Semiconductor (Xiamen) Inc. Chairman of Holtek Semiconductor (China) Inc. Chairman of BestComm RF Electronics Inc. Chairman of Best Modules Corp. Chairman of Holtek Investment Co., Ltd. Legal Representative Director of Holtek Semiconductor (Suzhou) Inc. Legal Representative Director of Holtek Semiconductor Holding (BVI) Ltd. Legal Representative Director of Kingtek Semiconductor Holding (BVI) Ltd. Legal Representative Director of Bestcomm RF Electronics (BVI) Inc. Independent Director of Greatek Electronics Inc.	0
Jiin-Chuan Wu	Male	Department of Electrical Engineering, National Taiwan University PhD. in Electrical Engineering, Carnegie Mellon University, USA NASA JPL Laboratory Professor, Department of Electronic Engineering, National Chiao Tung University President of Global Mixed-Mode Technology Inc.	Chairman of Global Mixed-Mode Technology Inc. Chairman of Advanced Analog Technology Inc. Legal Representative Director of Shanghai Victor Microelectronics Co., Ltd., Legal Representative Director of Aimtron Technology (BVI) Corp. Director of Sinotron Technology Corp. , Chairman of Chengwei Investment (Shares) Co., Ltd., Chairman of Zhi Qiang Invetment Co., Ltd.	0

List of Proposed Release of Non-Competition Restriction on Directors

Corporate Director	Current Positions
Powertech Technology Inc.	Corporate Director of TeraPower Technology Inc. Corporate Director of Powertech Holding (B.V.I.) Inc.; Corporate Director of Powertech Technology (Singapore) Pte. Ltd. Corporate Director of Powertech Semiconductor (Xian) Co., Ltd.
Legal Representative Director	Current Positions
Powertech Technology Inc. Representative: Boris Hsieh	Chief Executive Officer of Powertech Technology Inc. Legal Representative Director of Powertech Technology Inc. Director of Tera Probe, Inc. Chairman of Get-Team Tech Corporation
Powertech Technology Inc. Representative: D.K. Tsai	Chief Strategy Officer of Powertech Technology Inc. Chairman of Powertech Technology Inc. Director of Tera Probe, Inc. Legal Representative Director of Powertech Holding (B.V.I.) Inc. Legal Representative Director of PTI Technology (Singapore) Pte. Ltd. Director of Powertech Technology Akita Inc. Executive Director of Powertech Technology Japan Ltd. Legal Representative Director of Powertech Technology (Singapore) Pte. Ltd. Independent Director of Chicony Power Technology Co., Ltd. Chairman of PTI Education Foundation
Powertech Technology Inc. Representative: J.S. Leu	Chairman of Powertech Semiconductor (Xian) Co., Ltd. Director of Powertech Technology Inc. President of Powertech Technology Inc. Legal Representative Director of Powertech Technology (Singapore) Pte. Ltd. Legal Representative Director of PTI Technology (Singapore) Pte. Ltd. Legal Representative Director of Longforce (Suzhou) Ltd.
Powertech Technology Inc. Representative: Jim Lin	AVP of Powertech Technology Inc.
Hung-Wei Venture Capital Co., Ltd. Representative: Ingrid Fu	AVP of Realtek Semiconductor Corporation Supervisor of Cortina Systems Taiwan Limited Director of Ubilinx Technology Inc. Director of Realtek Semiconductor (Malaysia) SDN. BHD. Supervisor of Realtek Korea Inc.
Independent Director Candidate	Current Positions
Chi-Yung Wu	Chairman of Holtek Semiconductor Inc. Chairman of Holtek Semiconductor (Xiamen) Inc. Chairman of Holtek Semiconductor (China) Inc. Chairman of BestComm RF Electronics Inc. Chairman of Best Modules Corp. Chairman of Holtek Investment Co., Ltd. Legal Representative Director of Holtek Semiconductor (Suzhou) Inc. Legal Representative Director of Holtek Semiconductor Holding (BVI) Ltd. Legal Representative Director of Kingtek Semiconductor Holding (BVI) Ltd. Legal Representative Director of Bestcomm RF Electronics (BVI) Inc.
Jiin-Chuan Wu	Chairman of Global Mixed-Mode Technology Inc. Chairman of Advanced Analog Technology Inc. Legal Representative Director of Shanghai Victor Microelectronics Co., Ltd., Legal Representative Director of Aimtron Technology (BVI) Corp. Director of Sinotron Technology Corp. , Chairman of Chengwei Investment (Shares) Co., Ltd., Chairman of Zhi Qiang Investment Co., Ltd.