

Global Lighting Technologies Inc.

2022 Annual Report

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The Annual Report is available at:

Website of Global Lighting Technologies Inc.: https://www.glthome.com

Website of the Market Observation Post System (MOPS):

https://mops.twse.com.tw

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Spokesperson:Acting Spokesperson:Name: Chung-Lin TsaiName: Mei-Chen ChuangTitle: General ManagerTitle: Chief Financial Officer

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Tel: 886-3-426-2828

(2) Global Lighting Technologies (Taiwan) Inc.

Address: No. 1149, Sec. 3, Minquan Rd., Zhongli Dist., Taoyuan City

Tel: 886-3-426-2828

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Tel: 86-21-3418-4000

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Address: Northwest Side, 1F, Building A, Workshop No. 1, Wistron Zhongshan Optoelectronic Park,

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(6) Global Lighting Technologies Inc. (GLT-USA)

Address: 55 Andrews Circle, Brecksville, Ohio 44141, U.S.A.

Tel: 1-440-922-4584 (7)GLT Optical Inc.

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3. Litigation and Non-litigation Agents within Taiwan:

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Tel: 886-2-2504-8125

Website: https://www.tssco.com.tw/

5. Names of CPAs Duly Auditing the Annual Financial Statements for the Most Recent Fiscal Year, and Name,

Address, Telephone Number and Website of Accounting Firm:

CPAs: CPA Chao-Mei Chen, CPA Cheng-Chuan Yu

Accounting Firm: Deloitte & Touche

Address: 20th Floor, No.100, Songren Road, Xinyi District, Taipei City

Tel: 886-2-2725-9988

Website: https://www.deloitte.com.tw

6. Name of Overseas Securities Trading Venue and Method of Information Query: None

7. Company Website: https://www.glthome.com.tw

8. List of Board Members of the Company

Title	Name	Nationality	Education and Work Experiences
			CEO, Global Lighting Technologies Inc.
			Chairman, Shinny Plastics Corp.
G1 .		D 0 0	EMBA, Scientific Management Group,
Chairman	Mang-Shiang Lee	R.O.C.	National Chengchi University
			Department of Chemistry, Chung Yuan
			Christian University
	Wistron Corneration		General Manager & CEO, Wistron Corporation
	Wistron Corporation		CEO, Willstron Technology, Wistron
			Corporation
Director	Representative:	R.O.C.	General Manager, Business Group, Wistron
	•		Corporation
	Jiann-Shiun Lin		MBA, The State University of New York at
			Stony Brook
			General Manager, Cheng Sung Co., Ltd.
	Tzu-Hsin Chang		Adviser, Wistron Corporation
Director		R.O.C.	Department of Automatic Control, Feng Chia
			University
			Director, Shanghai Global Lighting
			Technologies Inc.
			Director, Suzhou Opto Technologies Inc.
			General Manager, Global Lighting
			Technologies Inc.
Director	Ching-Ling Wang	R.O.C.	Plant Manager, Shinny Plastics Corp.
			EMBA, Pacific Western University
			(undergraduate)
			Department of Mechanical Engineering, Nan
			Jeon Institute of Technology
			Founding Dean, College of Fashion & Textiles,
Independent		D 0 0	Fu-Jen Catholic University
Director	Su-Lee Wen Tsai	R.O.C.	PhD in Technology and Management,
			Rensselaer Polytechnic Institute
			Chairman, Chen Hsiang Co., Ltd.
Independent	Ho-Hsiang Hsu	R.O.C.	Department of Industrial Electrical
Director	110 1151ung 115u	R.O.C.	Engineering, Lunghwa Institute of Technology

Title	Name	Nationality	Education and Work Experiences
Title Independent Director	Name Ching-Yi Chang	Nationality R.O.C.	Deputy General Manager, Pell Bio-Med Technology Co., Ltd. Special Assistance of the Chairman, Unity Opto Technology Co., Ltd. Senior Management adviser, Deloitte Consulting Team Lead, Deloitte Department of Accounting, College of Law
			and Business, National Chung Hsing University

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1. Letter to Shareholders

The impact of the COVID-19 epidemic gradually eased with the release of lockdown in various countries, but the war and inflation continued to affect the demand of international market, affecting the Company's revenue and profit targets. The Company still stands firmly in face of the challenges that come one after another, committed to minimizing the impact of various adverse factors.

I. Consolidated Operating Performance for the Year Ended December 31, 2022

The consolidated operating revenue of Global Lighting in 2022 was NT\$9.72 billion, and the consolidated gross margin was NT\$1.82 billion; The consolidated net profit after tax was NT\$1.04 billion, with after-tax earnings of NT\$8.05 per share, indicating a revenue and profit performance slightly lower than expected.

II. Business and R&D Achievements

The decline of home economy dividends brought by the COVID-19 epidemic and the impact of macro environmental factors made customers more conservative about the market future. The Company cautiously faced the reduction of customer orders and delayed shipment, and worked with upstream and downstream partners in the supply chain to overcome the challenges of the macro environment. In addition, through long-term accumulation of optical technology and excellent manufacturing capabilities, the Company cut into various industries and directly participated in the product design process of brand clients, enhancing the added value of products with a high degree of customization, hoping to enhance business development and profitability when the overall environment improves and demand rebounds.

The Company continues to improve its optical and process technology to strengthen its core competitiveness. In 2022, it invested NT\$250 million in R&D and NT\$140 million in capital expenditure. Together with customers, it developed new products and applications, aiming to enhance the visual effect and energy consumption performance of IT products combined with Mini LED and light guide plate technology. It also utilizes the lightweight characteristics of light guide film to integrate touch control functions and apply them to consumer products, automotive products, and other products. As the display technology continues to evolve, and the specifications of light guide plate synchronously improve, the Company has invested in advanced manufacturing processes to develop light guide structures with more precise light control, aiming to maintain the Company's technological leadership.

III.A Summary of the Business Plan for 2023

The design and production methods of the products have changed with the changes in the economic environment and consumption habits in the past two years. The Company will grasp the market trend and continue to expand the application field of light guide products. In addition, it will utilize intelligent manufacturing technology to improve the overall operation of the Company, and will focus on:

1. Continuously invest in advanced manufacturing processes, maintain the leading position in optical

technology, and expand product application fields.

- 2. Strengthen intelligent production, establish closer connection with customers, and meet the requirements of production efficiency and stable quality.
- 3. Adjust global manufacturing layout and reduce operational risks.

IV. Future Development and Impact from External Competitive Environment and Overall Business Environment

In the context of increasing uncertainty of the global economy, the Company will address challenges by accelerating global layout and sound operation, continue to pay attention to the industrial development trend, invest more resources in optical talent cultivation, strengthen patent management and technology, process research and development, and maintain flexibility to maintain the Company's competitive advantage in the industry. In addition to focusing on improving the core competence in the industry, the Company will take "sustainable management, profit creation and customer sharing" as its business philosophy, and continues to focus on changes in existing laws and regulations at home and abroad, corporate governance and other issues to achieve sustainable development of the enterprise, and, through cooperation, participation and communication, work with customers, employees and shareholders to create a sustainable future.

Chairman: Mang-Shiang Lee



Managerial Officer: Chung-Lin Tsai



Chief Accounting Officer Mei-Chen Chuang



2. Company Profile

2.1 Company and Group Profile

Global Lighting Technologies Inc. (hereinafter referred to as "the Company") was established in the Cayman Islands on July 28, 2000, and is engaged in the design, manufacturing, and sales of products for light guide plate applications and plastic components.

As a leading manufacturer of professional light guide plate applications, the Company has been continuously promoting its R&D in optical design software specifically for light guide plates to shorten product development duration and investing in ultra precision machining processes to accurately implement optical design on products, breaking through traditional processes, significantly reducing manufacturing costs, and providing customers with the best products with cost competitiveness.

Rich information displays have become inseparable in modern life. Mobile phones, laptops, flat screen displays, and LCD displays can be seen everywhere. LCD display, as a non-active light emitting device, requires light guide plate and backlight module to provide a light source. At the beginning of its establishment, the Company focused on the application of medium- and small-size light guide plates and backlight modules, which were adopted by major manufacturers of mobile phones and digital cameras in the United States and Japan. In recent years, in response to the demand for thinness in electronic products, we have independently developed new processes and provided solutions for infinite thinness of light guide plates, and have become a major supplier of light guide plates for IT worldwide, and have successfully obtained certification from TV brand factories in Japan, South Korea, mainland China, and Europe for ultra-thin TV guide plates.

At the beginning, the Company took Global Lighting Technologies Inc. (hereinafter referred to as "GLT-USA") as the technology R&D center to develop leading new products in the industry. In addition, we also invested in patent operations and obtained multiple basic patents for light guide plate applications. Our Asian subsidiaries (Global Lighting Technologies (Taiwan) Inc., hereinafter "GLT-Taiwan"), Shanghai Global Lighting Technologies Inc., hereinafter "GLT-Shanghai"), Suzhou Opto Technologies Inc. (hereinafter "GLT-Suzhou Opto") and Zhongshan Global Lighting Technology Limited Co., Ltd. (hereinafter "GLT Zhongshan") are responsible for product development and manufacturing. In recent years, the research and development work has been transferred to Taiwan (GLT-Taiwan), in order to accurately grasp the pulse of the market, develop products that meet the market demand, and provide customers with immediate service. In response to the government's deep development in Taiwan, GLT Optical Inc. (hereinafter "GLT-Optical") was established in Tongluo Base of Hsinchu Science and Industry Park in 2013, specializing in the R&D and manufacturing of large-scale optical guides. Please refer to page 109 to page 112 of this Annual Report for related risks and group structure of the Company.

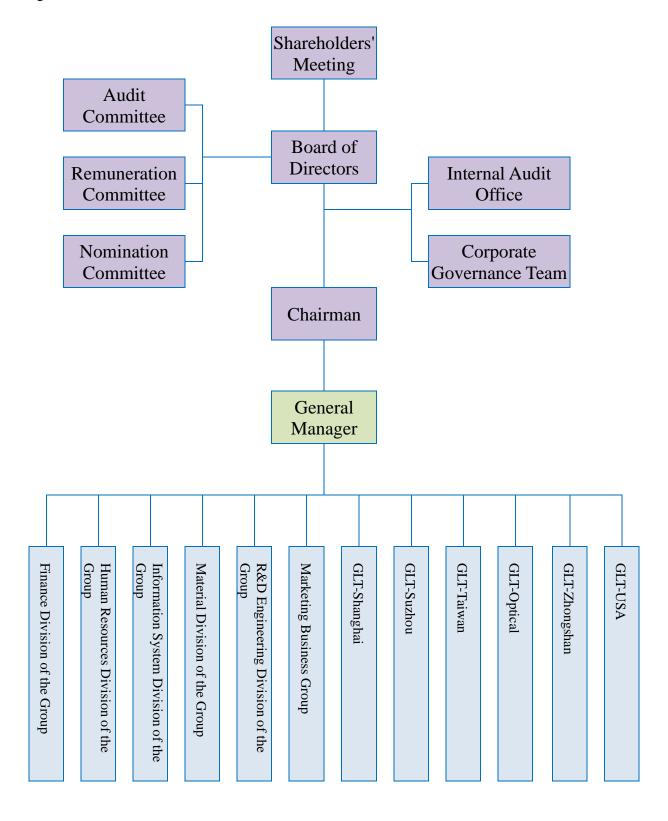
2.2 Company history

<u>Date</u>	Important Events
07/2000	The Company was incorporated in the Cayman Islands.
08/2000	The Company acquired equity interest in GLT-Suzhou.
08/2000	The Company acquired equity interest in GLT-Shanghai.
09/2000	Established GLT-USA by taking over the R&D and sales team from Lumitex.
11/2000	GLT-Taiwan was incorporated.
11/2003	Authorized patent to Kodak for the manufacture and sales of glossy film, breaking 3M's monopoly in the industry.
07/2004	GLT-Suzhou Opto was incorporated.
06/2007	The TV backlight module developed in collaboration with Luminus Devices won the "Component of the Year" Silver Medal at the SID exhibition.
06/2008	TV backlight module won the "Component of the Year" Gold Medal at the SID exhibition.
11/2008	The new factory in Suzhou was completed and put into operation.
03/2009	GLT-Shanghai acquired TS16949 certification.
10/2009	The dynamic control backlight module jointly developed with a Japanese customer won the "Energy Saving Green Product Award" at the CEATEC Exhibition in Japan.
12/2009	Part of the patents were sold to Company A, but the Company still has the right to use them during their validity period.
01/2010	The Board of Directors resolved to return to Taiwan for listing and signed a listing guidance contract with KGI Securities.
04/2010	On April 26, 2010, the Board of Directors officially approved the application to return to Taiwan for listing.
06/2010	The Company negotiated with Wistron a cooperation plan for the application of light guide plates with Wistron Corporation, which will invest US\$20 million in the Company to acquire common stock equity.
07/2011	Listed on the Taiwan Stock Exchange on July 28, 2011.
03/2012	GLT-Zhongshan was incorporated.
02/2013	The Board of Directors resolved to establish a new factory at Tongluo Base of Hsinchu Science Park.
03/2013	GLT Optical Inc. (hereinafter "GLT-Optical") was established.
11/2013	Japanese customer Sharp awarded the "Best Supplier of the Year", recognizing the Company's contributions in quality, technology, and other aspects. The TV light guide board achieved success in cultivating the mainland China
04/2015	market and was awarded the "Excellent Supplier Award" by Skyworth RGB Electronics Co., Ltd.
04/2015	The registered capital of GLT-Optical changed to NT\$450 million.
03/2017	The registered capital of GLT-Optical changed to NT\$600 million.
06/2017	The new factory of GLT-Optical was completed and the intelligent production line was put into operation.

<u>Date</u>	<u>Important Events</u>
07/2018	GLT-Suzhou Opto merged with GLT-Suzhou, and after the merger, GLT-Suzhou Opto became the surviving company.
09/2019	The registered capital of GLT-Optical changed to NT\$700 million.
09/2019	Developed high-efficiency light guide film and started mass production and shipment.
12/2019	Sold equity in Raising Light Optronics Corp., a reinvested company.
03/2020	The registered capital of GLT-Optical changed to NT\$245 million.
04/2020	Donated intubation protective boxes to Taoyuan Hospital, Taipei Tri-Service General Hospital, National Defense Medical Center, National Taiwan University Hospital, and Shuang Ho Hospital.
05/2020	Selected as a component of the MSCI World Small Cap Index.
03/2021	The registered capital of GLT-Optical changed to NT\$500.894 million.
05/2021	Donated intubation protective boxes to Shuang Ho Hospital
07/2021	Donated sampling and testing kits to Taipei Veterans General Hospital
11/2021	Donated e-books to Yung An Junior High School and Taoyuan Zhuwei High School.
03/2022	The registered capital of GLT-Optical changed to NT\$700.894 million.
05/2022	Donated epidemic prevention kits to Shin Kong Wu Ho-Su Memorial Hospital.
09/2022	The registered capital of GLT-Optical changed to NT\$850.894 million.
10/2022	Donated e-books to the Education Department of Penghu County.
03/2023	The registered capital of GLT-Optical changed to NT\$250.894 million.

3. Corporate Governance Report

- 3.1 Organizational System
- 3.1.1 Organizational Structure



3.1.2 Businesses of each major department:

Department	Main responsibilities
Chairman's Office	Formulate the Company's operating objectives, future development, and strategic instructions
General Manager Office	Execute the resolutions passed by the Board of Directors & manage all of the corporate affairs
Internal Audit Office	Responsible for the internal audit of the Company, establish the internal control system, audit, and ensure the effective implementation of audit
Corporate Governance Team	Formulate, promote, and carry out the relative regulation and the process of corporate governance
R&D of the Group	Integrate the R&D and design, develop optics, introduce new product, and other related business
Materials of the Group	Integrate the purchasing strategy, manage the supplier, control the cost, and other related business
Human Resources Division of the Group	Integrate the management of the human resources of the Group
Information of the Group	Integrate the analysis, planning, introduction and maintenance of the information system
Business of the Group	Plan and execute the performance target, marketing strategy, and customer development and maintenance
Finance of the Group	Formulate the policy and related operations of group finance, accounting, taxation and business analysis
GLT-Taiwan	Manufacturing.
GLT-Suzhou	Manufacturing.
GLT-Shanghai	Manufacturing.
GLT-Zhongshan	Manufacturing.
GLT-Optical	Manufacturing.
GLT-USA	Sales and application engineering services in Europe and the United States.

3.2 Directors, Independent Directors, General Manager, Deputy General Managers, Associate Managers, and Managerial Officers of Departments and Branches 3.2.1 Information on Directors and Independent Directors

March 31, 2023; Unit: shares; %

Title	Nationalit y or Place Title of Name Registrati on		Gender Age	Date Elected (Appointed)	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Held by Spouse and Minor Children		Persons		Education and Work Experience	Positions Concurrently Held at the Company and Other Companies	Relatives within the Second Degree of Kinship			Remarks
							Number of shares	%	Number of shares	%	r of shares	%	Number of shares	%			Title	Name	Relation	
Chairman	R.O.C.	Mang- Shiang Lee	Male 61~70 years old	2022/5/26	3 years	2000/7/28	2,541,320	1.97%	2,578,320	2.00%		0.47%	30,005,393	23.28%	CEO, Global Lighting Technologies Inc. Chairman, Shinny Plastics Corp. EMBA, Scientific Management Group, National Chengchi University Department of Chemistry, Chung Yuan Christian University	Note 1	None	None	None	None
Director	R.O.C.	Wistron Corporation	-	2022/5/26	3 years	2010/9/21	20,914,430	16.23%	20,914,430	16.23%	-	-	-	-	-	-	None	None	None	None
Corporate Director Representativ e:	R.O.C.	Jiann-Shiun Lin	Male 51~60 years old	2022/5/26	3 years	2019/6/24	-	-	-	-	-	-	-	-	General Manager & CEO, Wistron Corporation CEO, Willstron Technology, Wistron Corporation General Manager, Business Group, Wistron Corporation MBA, The State University of New York at Stony Brook	Note 2	None	None	None	None
Director	R.O.C.	Tzu-Hsin Chang	Male 61~70 years old	2022/5/26	3 years	2016/6/14	-	1	-	1	ı	-	-	-	General Manager, Cheng Sung Co., Ltd. Adviser, Wistron Corporation	Note 3	None	None	None	None

Title	Nationalit y or Place of Registrati on	Name	Gender Age	Date Elected (Appointed)	Term	Date First Elected	Shares I When El		Shares Cu Held Number of shares		Shares by Spou Min Child Numbe r of	se and or	Shares Hel Name of Perso Number of shares	Other	Education and Work Experience	Positions Concurrently Held at the Company and Other Companies Executive Of Directors Supervisors Are Spouse Relatives wit Second Deg Kinship Title Name R		ors or ors Who uses or within the egree of hip	Remarks	
							or shares		or shares		shares		or shares		Department of Automatic Control, Feng Chia University					
Director	R.O.C.	Ching-Ling Wang	Male 61~70 years old	2022/5/26	3 years	2022/5/26	-	-	-	-	-	-	-	-	Director, Shanghai Global Lighting Technologies Inc. Director, Suzhou Opto Technologies Inc. General Manager, Global Lighting Technologies Inc. Plant Manager, Shinny Plastics Corp. EMBA, Pacific Western University (undergraduate) Department of Mechanical Engineering, Nan Jeon Institute of Technology	-	None	None	None	None
Independent Director	R.O.C.	Su-Lee Wen Tsai	Female 61~70 years old	2022/5/26	3 years	2022/5/26	-	1	-	-	-	-	-	-	Founding Dean, College of Fashion & Textiles, Fu-Jen Catholic University PhD in Technology and Management, Rensselaer Polytechnic Institute	Note 4	None	None	None	None
Independent Director	R.O.C.	Ho-Hsiang Hsu	Male 61~70 years old	2022/5/26	3 years	2022/5/26	-	-	-	-	28,000	0.02%	-	-	Chairman, Chen Hsiang Co., Ltd. Department of Industrial Electrical Engineering, Lunghwa Institute of	Note 5	None	None	None	None

Title	Nationalit y or Place of Registrati on	Name	Gender Age	Date Elected (Appointed)	Term	Date First Elected	Shares I When El		Shares Cu Held Number of shares		Shares by Spous Min- Child Numbe r of shares	se and or	Shares Hell Name of Perso. Number of shares	Other	Education and Work Experience	Positions Concurrently Held at the Company and Other Companies	Sup Arc Relat Seco	Director ervisor e Spou ives wond Do Kinsl	ors Who uses or within the egree of	Remarks
											shares				Technology					
Independent Director	R.O.C.	Ching-Yi Chang	Male 51~60 years old	2022/5/26	3 years	2022/5/26	-	-	-	-	-	-			Deputy General Manager, Pell Bio- Med Technology Co., Ltd. Special Assistance of the Chairman, Unity Opto Technology Co., Ltd. Senior Management adviser, Deloitte Consulting Team Lead, Deloitte Department of Accounting, College of Law and Business, National Chung Hsing University	Note 6	None	None	None	None

Note 1:Chairman of SSEL, Chairman of SSOL, Chairman of SSDL, Chairman of SGL, Chairman of GLT-Taiwan, Chairman of GLT-Optical, Chairman of GLT-USA, Chairman of GLT-ZhongShan, Chairman of Hao-Yuan Technologies Inc., Director of Cornerstone Intellectual Property Foundation, Convenor of the Nomination Committee of GLT.

Note 2:Director of Anwith Technology Corporation, Chairman of Kaohsiung Opto-Electronics Inc., Chairman of WiBASE Industrial Solutions Inc., Director of WiSuccess Asset Management Corporation, Chairman of Wistron (Chongqing) Co., Ltd., Chairman of Wistron (Chengdu) Co., Ltd., Chairman of Sms (Kunshan) Co., Ltd., Chairman of Wistron (Zhongshan) Co., Ltd., Chairman of Weiteng Technical Services (Kunshan) Co., Ltd., Chairman of Wistron Investment (Sichuan) Co., Ltd., Director of Zhongshan Global Lighting Technologies Co., Ltd., Director of Wistron InfoComm Technology (Zhongshan) Co., Ltd., Chairman of Chengdu Weicheng Computer Co., Ltd., Chairman of SmS InfoComm Corp., Chairman of Wistron Mexico S.A. de C.V., Chairman of Service Management Solutions Mexico S.A. de C.V., Chairman of Cowin Worldwide Corp., Chairman of Wistron InfoComm Technology (America) Corp., Chairman of Wistron InfoComm (Philippines) Corp., Director of Wistron InfoComm (Vietnam) Co., Ltd., Chairman of Wistron InfoComm (Philippines) Corp., Director of Wistron Green Tech (Texas) Corp., Director of Wistron K.K., Director of Wistron Hong Kong Limited, Director of AII Holding Corp. and Director of WiseCap (Hong Kong) Limited.

Note 3: Corporate director representative of Uvat Technology Co., Ltd., adviser of Wistron Corporation, adviser of Paragon Technologies Co., Ltd., Supervisor of Dragonjet Corporation,

- principal of Prosmart Business Consulting Co., Ltd., adviser of Fujin Tree Cultural Creative & Technology Co., Ltd., and adviser of U-Neuron Biomedical Inc.
- Note 4: Chairman of Eastern International Advertising Co., Ltd., Independent Director of Excelsior Biopharma Inc., Independent Director of Taiwan Taffeta Fabric Co., Ltd., Honorary Professor at the College of Fashion & Textiles, Fu-Jen Catholic University, Convenor of the Audit Committee and the Remuneration Committee of GLT.
- Note 5: Member of the Remuneration Committee and the Nomination Committee of GLT.
- Note 6:Director of Arlitech Electronic Corp. and CEO of Or Coding Corp.
- Note 7: Explain the related information, including the reasons, rationality, necessity, and corresponding measures (such as increasing the number of independent directors and more than half of the directors not serving as employees or managers, etc.) under the circumstances of the chairman and the president or the person with equivalent position (the top manager) are the same person, spouse, and first-degree relatives: None

3.2.2 Major shareholders of corporate shareholders

April	17	2023
LIPLII	1/,	2023

Name of corporate shareholder	Major shareholders of the corporate shareholder	%
	Yuanta Taiwan Dividend Plus ETF	4.68%
	Labor Pension Fund	2.47%
	Acer Incorporated	1.89%
	J.P. Morgan Securities PLC	1.63%
Wistron	Fubon Taiwan high dividend 30 ETF	1.62%
Corporation	Taipei Fubon Bank Trust Account (employee share ownership trust)	1.49%
	BNP Paribas Arbitrage S.N.C.	1.49%
	Lin Hsien-Ming	1.47%
	Taipei Fubon Bank Trust Account (employee restricted stock awards)	1.38%
	Fubon Life Insurance Co., Ltd.	1.38%

3.2.3 Main shareholders of corporate shareholders

April	8.	2023
7 1 PIII	ο,	2023

5.2.5 Main share	2.2.5 Walli shareholders of corporate shareholders A							
Name of corporation	Major shareholders of corporate shareholders	%						
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF Fund under the custody of Taishin Bank	7.64%						
	Hung Rouan Investment Corp.	2.42%						
	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	1.31%						
	iShares ESG Aware MSCI EM ETF	1.26%						
Acer Incorporated	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.23%						
	Stan Shih	1.15%						
	Labor Pension Fund (The New Fund)	0.97%						
	Acer GDR	0.93%						
	J.P. MORGAN SECURITIES PLC	0.88%						
	Norges Bank	0.86%						
Fubon Life Insurance Co., Ltd.	Fubon Financial Holding Co., Ltd.	100.00%						

3.2.4 Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

3.2.4 D1sc	closure of Professional Qualifications	of Directors and Independence of Independen	it Directors
Criteria Name	Professional Qualification and Experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Mang-Shiang Lee	With more than 25-year working experience required for handling company business; Experience: Chairman, GLT ◆ Not fallen under Section 30 of the Company Act.		0
Wistron Corporation Representative Jiann-Shiun Lin	With more than 15-year working experience required for handling company business; Experience: General Manager & CEO, Wistron Corporation, Chairman of Anwith Technology Corp. Not fallen under Section 30 of the Company Act.		0
Tzu-Hsin Chang	With more than 25-year working experience required for handling company business; Experience: adviser of Wistron Corporation, adviser of Paragon Technologies Co., Ltd., Supervisor of Dragonjet Corporation, principal of Prosmart Business Consulting Co., Ltd.	Not applicable.	0
Ching-Ling Wang	 ◆ Not fallen under Section 30 of the Company Act. With more than 25-year working experience required for handling company business; Experience: General Manager of GLT, Manager of Shinny Plastics Corp. ◆ Not fallen under Section 30 of the Company Act. 		0
Su-Lee Wen Tsai	With more than 25-year working experience required for handling company business, now serving as the Chairman of Eastern International Advertising Co., Ltd., Independent Director of Excelsior Biopharma Inc., and Independent Director of Taiwan Taffeta Fabric Co., Ltd. Not fallen under Section 30 of the Company Act.	the same parent company in accordance with the Act or with local laws). (3) Not a natural person shareholder who holds shares together with	2
Ho-Hsiang Hsu	With more than 25-year working experience required for handling company business, once served as the Chairman of Chen Hsiang Co., Ltd. ◆ Not fallen under Section 30 of the <i>Company Act</i> .	the three preceding criteria. (5) Not a director, supervisor, or employee of a juristic person shareholder that directly holds more than five (5) percent of the total number of shares issued by the Company or is one of the top 5 shareholders in terms of number of shares held (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country). (6) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its	0

		<u>, </u>	
Ching-Yi Chang	With more than 20-year working experience and financial expertise required for handling company business, once served as the Deputy General Manager of Pell Bio-Med Technology Co., Ltd., Special Assistance of the Chairman of Unity Opto Technology Co., Ltd., Senior Management Adviser of Deloitte Consulting, and Team Lead of Deloitte Not fallen under Section 30 of the Company Act.	Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country). (9) Not a professional individual, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership,	0

3.2.5 Diversity and Independence of the Board of Directors

1. Diversity of the Board of Directors

GLT stipulates a need to consider diversification of members of the Board of Directors in the 23rd Article of Rules of Practice of the Company Governance and works out appropriate diversification policy from perspectives of company operation, running style and development requirements, in which 2 aspects listed below should be included; but not limited to:

- 1. Basic Conditions & Value: gender, age, nationality, culture and so on
- 2. Professional knowledge and skills: operational judgment ability, accounting and financial analysis ability, industrial knowledge, legal knowledge, international market view, business management ability, leadership ability, decision-making ability, and crisis management ability.

There are 7 members in current Board of Director with professional background covering technologies, information communication, biomedical, legal and so on; and a Nomination Committee was set up in 2021 to strengthen the mechanism of selection of Directors & Independent Directors. Diversification status of the Board of Director is shown below:

		Basic	comp	ositio	on		Expertise and skills							
Item			Age		Seniority of Independent Director		Ability to operation	Acco financ	Industr	Under internati	Business	Leadeı	Decisi	Crisis r
Name of Director	Nationality	Gender	51 60	61 70	Below 3 years	Over 3 years	Ability to make sound operational judgments	Accounting and financial analysis ability	Industry knowledge	Understanding of international markets	Business management	Leadership ability	Decision-making ability	Crisis management
Mang-Shiang Lee	R.O.C.	Male		V	-	-	V	V	V	V	V	V	V	V
Jiann-Shiun Lin	R.O.C.	Male	V		-	-	V	V	V	V	V	V	V	V
Tzu-Hsin Chang	R.O.C.	Male		V	-	-	V		V	V	V	V	V	V
Ching-Ling Wang	R.O.C.	Male		V	-	-	V		V	V	V	V	V	V
Su-Lee Wen Tsai	R.O.C.	Female		V	V		V	V		V	V	V	V	V
Ho-Hsiang Hsu	R.O.C.	Male		V	V		V		V	V	V	V	V	V
Ching-Yi Chang	R.O.C.	Male	V		V		V	V	V	V	V	V	V	V

GLT's concrete management goals of diversification policy and how they are fulfilled is shown below:

Management Goal	Achievement Status		
The number of independent directors exceeding 1/3 of the total number of directors	Achieved		
Independent directors have served less than three consecutive terms	Achieved		
At lease one female director among the directors	Achieved		
No Director concurrently acts as company manager	Achieved		

2. Independence of the Board of Directors:

Among 7 Directors in GLT's Board of Directors, there are 3 Independent ones, a ratio of 43%. Conditions listed in paragraphs 3 & 4 of Article 26-3 of *Securities and Exchange Act* did not happen among GLT Directors; nor did the condition of spouse & within the second degree of relationship.

3.2.6 General Manager, Deputy General Managers, Associate Managers, and Heads of Departments and Branches

Mar. 31, 2023 Units: share; %

				Date			Shares I	•		eld in the		Positions		_	al Roles Held	
	Nation		Gen Elected Shares Held Spouse and Name of Other			Concurrently Held	by Spo	ouse or Se	cond-Degree							
Title		Name					Underage	Children	Pers	sons	Education and Work Experience	at the Company		Relati	ive	Remarks
	ality		der	(Appointed)	Number	%	Number	%	Number	%		and Other	Title	Name	Relationship	
					of shares		of shares		of shares			Companies			r	
General		Chung-Lin									R&D Manager of Sigan Technology					
Manager	R.O.C.	Tsai	Male	2021/03/05	65	0.00%	-	-	-	-	Co., Ltd.	Note 1	None	None	None	
Manager		1841									Institute of Mechanical Engineering,					
Chief		ги .									R&D Manager of Demao					
Plant	R.O.C.	Fleming	Male	2019/08/01	-	-	-	-	-	-	Technology Co., Ltd.	Note 2	None	None	None	
Manager		Lin									Department of Electronic					
											Deputy Manager of					
			_								PricewaterhouseCoopers					N.T.
Associate	R.O.C.	Amanda	Fem	2013/02/21	-	-	-	-	-		Management Consulting Co., Ltd.	Note 3	None	None	None	None
Manager		Huang	ale								Human Resources Management,					
											National Sun Yat-sen University					
											Director of Management of Shengjie					
I											Optoelectronics					
Associate	R.O.C.	Mei-Chen		2016/03/01	_	_	_	_	_		Department of Business	Note 4	None	None	None	
Manager		Chuang	ale								Management, National Central					
											University					

Note 1: Director of GLT-Shanghai, Director of GLT-Suzhou Opto.

Note 2: Chairman of GLT-Shanghai, Chairman of GLT-Suzhou Opto.

Note 3: Director of GLT-Shanghai, Director of GLT-Suzhou Opto.

Note 4: Supervisor of GLT-Shanghai, Supervisor of GLT-Suzhou Opto, Supervisor of GLT-Zhongshan, Corporate Director Representative of Chi Lin Optoelectronics Co., Ltd.

3.3 Remuneration Paid to Directors, Independent Directors, General Manager and Deputy General Managers during the Most Recent Fiscal Year 3.3.1 Remuneration of Directors and Independent Directors

Dec. 31, 2022 Unit: NT\$ thousands, %

Ratio of Total Remuneration of Directors Remuneration of directors concurrently serving as employees Ratio of Total Remuneration Remuneration Severance Pay and Rewards of **Business Execution** Salary, Bonus, and (A+B+C+D) to (A+B+C+D+E+F+G)Remuneration Remuneration Severance Pay and Employees' compensation Pension directors Expenses Allowance [A] (Note 2) Earnings After Tax Pension (F) (G) (Note 6) to Earnings After Tax from (B) (C) (Note 3) (D) (Note 4) (E) (Note 5) (Note 10) (Note 10) reinvestee All Companies other than Title Name All All All All All All in the All subsidiary or All Companies Companies Companies companies Companies The Companies ompanies Financial Companies parent Company The The in the The in the in the The in the The The in the The in the in the Report in the company Company Financial financial Financial Company Company Financial ompan financial Company Financial ompan ompany Company (Note 11) (Note 7) Financial Financial Report Report statements Report statements Report Report Report (Note 7) (Note 7) (Note 7) (Note 7) (Note 7) (Note 7) Cash Stock Cash Stock Mang-Shiang Lee Chairman Wistron Director Corporation Corporate Jiann-Shiun Lin Director 9,674 9,674 9.674 12,616 9,509 9,509 165 165 2,942 Representative None 0.93% 0.93% 0.93% 1.22% Director Tzu-Hsin Chang Ming-Chung Yi Director (Note 12) Ching-Ling Wang Director (Note 13) Chia-Yu Chang Independent Director (Note 12) Independent Fen-Ren Chien Director (Note 12) Independent Kun-Ming Tsai 8,332 8,332 8,332 Director (Note 12) 8,332 900 300 300 900 7,132 7,132 None 0.80% Su-Lee Wen Tsai 0.80% 0.80% 0.80% Independent Director (Note 13) Independent Ho-Hsiang Hsu (Note 13) Director Ching-Yi Chang Independent (Note 13) Director

1. Please explain the independent director remuneration payment policy, system, standard, and structure, and state and relevance of the amount of the remuneration payment based on the responsibility, risk, investment of time, and other factors: According the Corporation Articles, the degree of the individual directors involving in the operations of the Company, and contribution value under the domestic industry standards.

2.In addition to the information disclosed in the table above, remuneration paid to any director of the Company (such as serving as a adviser to all non-employees of the parent company/all companies/re-invested companies in the financial report, etc.) in the most recent fiscal year: None.

3.3.2 Range of Remuneration

	Name of Director								
Range of Remuneration Paid to the Directors of the	Sum of the first 4	items (A+B+C+D)	Sum of the first 7 items (A+B+C+D+E+F+G)						
Company	The Company (Note 8)	All companies in the financial statements (Note 9) (H)	The Company (Note 8)	All companies in the financial statements (Note 9) (I)					
Less than NT\$1,000,000	Ming-Chung Yi, Chia-Yu Chang, Fen-Ren Chien, Kun- Ming Tsai	Ming-Chung Yi, Chia-Yu Chang, Fen-Ren Chien, Kun- Ming Tsai	Ming-Chung Yi, Chia-Yu Chang, Fen-Ren Chien, Kun- Ming Tsai	Ming-Chung Yi, Chia-Yu Chang, Fen-Ren Chien, Kun- Ming Tsai					
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)									
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Mang-Shiang Lee, Wistron Corporation, Jiann-Shiun Lin, Tzu-Hsin Chang, Ching-Ling Wang, Su-Lee Wen Tsai, Ho-Hsiang Hsu, Ching-Yi Chang	Mang-Shiang Lee, Wistron Corporation, Jiann-Shiun Lin, Tzu-Hsin Chang, Ching-Ling Wang, Su-Lee Wen Tsai, Ho-Hsiang Hsu, Ching-Yi Chang	Mang-Shiang Lee, Wistron Corporation, Jiann-Shiun Lin, Tzu-Hsin Chang, Ching-Ling Wang, Su-Lee Wen Tsai, Ho-Hsiang Hsu, Ching-Yi Chang	Wistron Corporation, Jiann- Shiun Lin, Tzu-Hsin Chang, Ching-Ling Wang, Su-Lee Wen Tsai, Ho-Hsiang Hsu, Ching-Yi Chang					
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)									
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)				Mang-Shiang Lee					
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)									
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)									
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)									
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)									
NT\$100,000,000 and above									
Total	12 (Including 1 Corporate Director)	12 (Including 1 Corporate Director)	12 (Including 1 Corporate Director)	12 (Including 1 Corporate Director)					

Note 1: The names of Directors shall be listed separately (for corporate shareholders, their names and the name of their representatives shall be listed separately) and the amount of remuneration paid to them shall be disclosed collectively.

Note 2: Remuneration received by a director in the most recent fiscal year (including director's salary, job-related allowances, separation pay, various bonuses and incentives).

Note 3: Fill the amount of rewards approved by the Board of Directors and distributed to the Directors in the most recent fiscal year.

- Note 4: Refers to the execution expenses of relevant businesses of directors in the most recent year (including travel expenses, special expenses, allowances, dormitories, car supplies and other material supplies, etc.). If property, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note.
- Note 5: Salary, job-related allowances, separation pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and vehicle received by Directors who concurrently serve as employees (including general manager, deputy general managers, other managerial officers and employees) in the most recent fiscal year. If property, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. Furthermore, any salary expenses recognized in the IFRS 2 "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration.
- Note 6: For Directors concurrently serving as employees (including general manager, deputy general manager, other managerial officers and employees) who receive employee rewards (including shares and cash), the amount of employee rewards that have been approved by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.
- Note 7: The total amount of all the remuneration paid to the Company's Directors by all the companies in the consolidated financial statements (including the Company) shall be disclosed.
- Note 8: The name of each Director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the Director by the Company.
- Note 9: The total amount of all the remuneration paid to each Director of the Company by all the companies in the consolidated financial statements (including the Company) shall be disclosed. The name of each Director shall be disclosed in the range of remuneration corresponding to the total amount.

Note 10:The after-tax net profit refers to the after-tax net profit in the parent company only or individual financial report in the most recent year.

Note 11:

- a. This field shall clearly indicate the amount of remuneration received by the Company's Directors from investees other than a subsidiary or the parent company (if not, please fill in "none").
- b.If a Director of the Company receives remuneration from investees other than subsidiaries or the parent company, the amount of remuneration received by the Director from investees other than subsidiaries shall be combined into Column I of the table for range of remuneration, and this column shall be renamed "Parent Company and All Investees."
- c. The remuneration means pay, compensation (including compensation of employees, directors and executives) and business expenses received by the Director serving as a director, supervisor or manager of an investee company or parent company of the Company other than
- Note 12:Resigned after general re-election on May 26, 2022, and the remuneration was disclosed until the date of resignation.
- Note 13:Took office after general re-election on May 26, 2022, and the remuneration was disclosed from the date of inauguration.
- *A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, instead of taxation.

Remuneration and range of remuneration for supervisors: Not applicable.

3.3.3 Remuneration for General Manager and Deputy General Managers

As of December 31, 2022 Unit: NT\$ thousands, %

		Salary (A) (Note 2)		Severance Pay and Pension (B)		Bonuses and allowances, etc. (C) (Note 3)		Amount of employee remunerations (D) (Note 4)			Percentage of th A, B, C and D after tax (9	Remuneration paid to Directors from investees		
Title Name	Name	The	All Companies The in the		All Companies in the	The	All Companies in the The Company		ompany	All Companies in the Financial Report (Note 5)		The Company	All Companies in the Financial	other than the Company's subsidiaries or
		Company	Financial Report (Note 5)	Company	Financial C Report (Note 5)	Company	Financial Report (Note 5)	Cash Amount	Shares Amount	Cash Amount	Shares Amount	The Company	Report	parent company (Note 9)
General Manager	Chung-Lin Tsai													
Chief Technology Officer	Ching-Ling Wang (Note 10)	1,284	10,461	-	216	-	-	2,774	-	2,774	-	4,058 0.39%	13,451 1.30%	None
Chief Plant Manager	Fleming Lin													

3.3.4 Range of Remuneration

Range of Remuneration Paid to the General Manager and	Name of the General Manager	and Deputy General Managers
Deputy General Managers	The Company (Note 6)	All companies in the financial statements (Note 7) (E)
Less than NT\$1,000,000	Ching-Ling Wang	
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Chung-Lin Tsai, Fleming Lin	Ching-Ling Wang
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)		Fleming Lin
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)		
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)		Chung-Lin Tsai
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)		
NT\$100,000,000 and above		
Total	3 in total	3 in total

- Note 1: The name of the General Manager and Deputy General Manager shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively.
- Note 2: Fill the salary, job-related allowances and separation pay received by the General Manager and Deputy General Manager in the most recent fiscal year.
- Note 3: Fill the amount of various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation and vehicle received by the General Manager and Deputy General Manager in the most recent fiscal year. If property, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. Furthermore, any salary expenses recognized in the IFRS 2 "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration.
- Note 4: Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the general manager and deputy general manager in the most recent fiscal year. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.
- Note 5: The total amount of all the remuneration paid to the Company's General Manager and Deputy General Manager by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed.
- Note 6: The name of each General Manager and Deputy General Manager should be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the General Manager and Deputy General Manager by the Company.
- Note 7: The total amount of all the remuneration paid to each general manager and deputy general manager of the Company by all the companies (including the Company) listed in its

consolidated financial statements shall be disclosed. The name of each general manager and deputy general manager shall be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence.

Note 8: The after-tax net profit refers to the after-tax net profit in the parent company only or individual financial report in the most recent year.

Note 9:

- a. This field shall clearly indicate the amount of remuneration received by the Company's General Manager or Deputy General Manager from investees other than subsidiaries or the parent company (if not, please fill in "none")...
- b.If a General Manager or Deputy General Manager of the Company received remuneration from investees other than subsidiaries of the Company or the parent company, the remuneration received by the General Manager or Deputy General Manager of the Company from investees other than subsidiaries of the Company or the parent company shall be included in E column of the Remuneration Range Table and the name of the field shall be changed to "Parent Company and All Investment Companies".
- c. Remuneration in this case refers to remuneration, bonuses (including employee, Director, or supervisor compensation), and allowances received by the General Manager or Deputy General Managers of the Company as the Directors, supervisors, or managerial officers of investees other than subsidiaries or the parent company

 Note 10: Retired on April 15, 2022.

^{*}A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, instead of taxation.

3.3.5 Name of management to which employees' compensation are distributed, and the status of distribution

As of December 31, 2022 Unit: NT\$ thousands

Title (Note 1)		Name (Note 1)	Stock Amount	Cash Amount	Total	Ratio of Total Amount to Net Income (%)	
	General Manager	Chung-Lin Tsai				0.53%	
	Chief Technology Officer	Ching-Ling Wang (Note 5)					
Management	Chief Plant Manager	Fleming Lin	-	5,547	5,547		
	Associate	Mei-Chen					
	Manager	Chuang					
	Associate Manager	Amanda Huang					

Note 1:Names and positions shall be listed individually, and the amount of profit distributed shall be disclosed collectively.

Note 2:Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the managerial officers in the most recent fiscal year. If this amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company-only or individual financial statements in the most recent fiscal year.

Note 3:The scope of application for the term "managerial officer" shall follow the approved document with Reference No. T.C.Z.S.Z. No. 0920001301 dated March 27, 2003. Its scope of application shall be as follows:

- (1) General Manager and equivalents
- (2) Deputy General Manager and equivalents
- (3) Associate Manager and equivalents
- (4)Supervisor of Finance Department
- (5)Supervisor of Accounting Department
- (6)Other persons who have the right to manage and sign for the Company

Note 4:Directors, General Manager and Deputy General Manager who receive employee rewards (including shares and cash) shall be listed not only in Table 1-2, but also in this table.

Note 5:Retired on April 15, 2022.

- 3.3.6 Analysis and comparison of percentages of remuneration paid to the Company's Directors, Supervisors, General Manager and Deputy General Managers by the Company and all the companies listed in its consolidated financial statements in the most recent two fiscal years to the net income after taxes recorded in its parent company-only or individual financial statements, and explanation on the remuneration policies, standards and packages, procedures for determining remuneration and their correlations with its business performance and future risk exposure.
 - (1) The analysis of the Company and all companies included in the consolidated statements on the percentage of total remuneration paid to the Company's Directors, Supervisors, General Manager, and Deputy General Managers to the net income after tax:

Unit: NT\$ thousands

	20	21	2022			
	All companies in	the consolidated	All companies in	the consolidated		
Title	financial s	statements	financial s	statements		
	Amount	%	Amount	%		
Director	23,471	1.84	20,948	2.02		
General Manager and						
Deputy General	18,766	1.47	13,451	1.30		
Managers						
Total	42,237	3.31	34,399	3.32		

(2) Remuneration policies, standards and packages, and their correlations with the Company's business performance

The remuneration for directors of the Company shall, in accordance with 30.2 of the Articles of Association, be subject to the scope and value of services provided by the directors for the operation of the Company and the level of payment made by the peers; In addition, if the Company makes profits in the current year, no more than 1.5% shall be set aside as the directors' rewards according to 34.1.1 of the Articles of Association. Performance measures are based on the results of annual operating indicators related to operations, governance and financial results, and the scope of evaluation includes pre-tax net income and corporate governance evaluation, etc. The reasonableness of the remuneration is reviewed by the Remuneration Committee and the Board of Directors.

The remuneration for managerial officers of the Company is based on the position and the Company's annual operating performance, financial status, operating status and personal performance. In addition, if the Company makes profits in the current year, 1%~15% shall be set aside as employee rewards according to 34.1.1 of the Articles of Association. The results of the performance appraisal conducted in accordance with the Performance Appraisal Regulations are used as a reference for the determination of managerial bonuses. The evaluation items of managerial performance are divided into financial indicators: the allocation of profit contribution by each department to the Company and the achievement rate of managerial goals according to the Company's management profit and loss statement; non-financial indicators: the implementation of the Company's core values and operational management capabilities, and the implementation of sustainable management, etc.

- 3.4 Implementation of Corporate Governance
- 3.4.1 Operations of the Board of Directors

A total of 7 meetings of the Board of Directors were held in 2022. The attendance of Directors was as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Actual attendance rate (%)	Remarks
Chairman	Mang-Shiang Lee	7	0	100	-
Director	Wistron Corporation Representative: Jiann-Shiun Lin	7	0	100	-
Director	Tzu-Hsin Chang	7	0	100	-
Director	Ming-Chung Yi	3	0	100	Note 1
Director	Ching-Ling Wang	4	0	100	Note 2
Independent Director	Fen-Ren Chien	3	0	100	Note 1
Independent Director	Chia-Yu Chang	3	0	100	Note 1
Independent Director	Kun-Ming Tsai	3	0	100	Note 1
Independent Director	Su-Lee Wen Tsai	4	0	100	Note 2
Independent Director	Ho-Hsiang Hsu	4	0	100	Note 2
Independent Director	Ching-Yi Chang	4	0	100	Note 2

Note 1: Resigned after general re-election on May 26, 2022, should attend 3 times.

Note 2: Took office after general re-election on May 26, 2022, should attend 4 times.

Other mentionable items:

- 1. If any of the following applies to the operations of the Board of Directors, the date and session of the Board meeting, the content of the proposal, opinions of all Independent Directors and the Company's actions in response to the opinions of Independent Directors shall be stated:
 - (1) Matters referred to in Article 14-3 of the *Securities and Exchange Act*: The Company has established an Audit Committee, so the Article 14-3 do not apply. For the matters referred to in Article 14-5 of the *Securities and Exchange Act*, please refer to page 59 to 60 of the important resolutions made by Board of Directors.
 - (2) Other than the matters mentioned above, other resolutions that are objected and reserved by the Independent Directors and are documented or stated: None.
- 2. In regards the recusal of Independent Directors from voting due to conflict of interests, the name of the Independent Directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes shall be stated:

Date of Board Meeting	Name of Director	Proposal	Reason for recusal	Voting result
2022.12.21	Independent Director Su-Lee Wen Tsai Ho-Hsiang Hsu Ching-Yi Chang	Examine the Remuneration Committee's proposal on managerial officers' year-end bonus distribution in 2022 and remuneration for the fifth term of independent directors	The independent directors have interests in the proposal, so they recused themselves in accordance with the law	Did not participate in discussion and voting

3. Listed company shall disclose the evaluation cycle and duration, scope of evaluation, methodology, and evaluation contents of the evaluation of the Board of Directors:

Assessment Interval	Assessment period	Scope	Assessment Method	Assessment Content	Evaluation results
Once a year	2022.01.01 2022.12.31	Board of Directors and individual directors	Appointment of external professional agency (KPMG Advisory Services Co., Ltd.)	Nine dimensions of the Board of directors: Construction of an effective Board of Directors, effective operation of the Board of Directors, professional development and training, corporate vision, performance of duties, management of the management level, creation of corporate culture, communication with stakeholders, and performance evaluation. Six dimensions of the directors: Mastery of the Company's objectives and tasks, cognition of director's responsibilities, professional development and education, performance of responsibilities, participation in company operation and internal relationship management and communication.	Evaluation date: 11/1/2022-12/31/2022 External evaluation result: Good to excellent Recommendations from external professional agency: There is still room for improvement in the effective operation of the Board of Directors, professional development and training, performance of duties, and the management structure of the management level among the nine dimensions of the Board of Directors. Future improvement plan: The Company will follow the recommendation to set the annual direction of the directors' training and send the information of relevant courses to help the directors to improve their professional knowledge in related fields.
Once a year	2022.01.01 2022.12.31	Audit Committee	Internal self- assessment	Performance evaluation items of the Audit Committee: 1. Degree of engagement in corporate operations (15 points) 2. Recognition of the duties of functional committees (25 points) 3. Improvement in the quality of decision making by the functional committees (35 points) 4. Composition of the functional committee, and election and appointment of committee members (15 points) 5. Internal control (10 points) Total of 100 points	Performance evaluation items of the Audit Committee: 1. Degree of engagement in corporate: 15 points 2. Recognition of the duties of functional committees: 24 points 3. Improvement in the quality of decision making by the functional committees: 35 points 4. Composition of the functional committee, and election and appointment of committee members: 15 points 5. Internal control: 10 points Total of 99 points
Once a year	2022.01.01	Remuneration Committee	Internal self- assessment	Performance evaluation items of the Remuneration Committee: 1. Degree of engagement in corporate operations (15 points) 2. Recognition of the duties of functional committees (25 points) 3. Improvement in the quality of decision making by the functional committees (35 points) 4. Composition of the functional committee, and election and appointment of committee members (15 points) 5. Internal control (10 points) Total of 100 points	Performance evaluation items of the Remuneration Committee: 1. Degree of engagement in corporate: 15 points 2. Recognition of the duties of functional committees: 24 points 3. Improvement in the quality of decision making by the functional committees: 35 points 4. Composition of the functional committee, and election and appointment of committee members: 15 points 5. Internal control: 10 points Total of 99 points

Assessment Interval	Assessment period	Scope	Assessment Method	Assessment Content	Evaluation results
Once a year	2022.01.01 2022.12.31	Nomination Committee	Internal self- assessment	Performance evaluation items of the Nomination Committee: 1. Degree of engagement in corporate operations (20 points) 2. Recognition of duties of the Nomination Committee (20 points) 3. Review and decision-making of the Nomination Committee (20 points) 4. Improvement in the quality of decision making by the Nomination Committee (20 points) 5. Composition of the committee, and election and appointment of committee members (10 points) 6. Internal control (10 points) Total of 100 points	Performance evaluation items of the Nomination Committee: 1. Degree of engagement in corporate: 20 points 2. Recognition of duties of the Nomination Committee: 20 points 3. Review and decision-making of the Nomination Committee: 20 points 4. Improvement in the quality of decision making by the Nomination Committee: 20 points 5. Composition of the committee, and election and appointment of committee members: 10 points 6. Internal control: 10 points Total of 100 points

- 4. Targets for strengthening the functions of the Board of Directors in the current fiscal year and the most recent fiscal year (e.g., establishing an audit committee and enhancing information transparency), and evaluation of target implementation:
 - (1) The Board of Directors of the Company is composed according to the appropriate diversity policy in relation to the Company's own operations, business patterns and development needs. Please refer to page 17 of this Annual Report for details.
 - (2) On June 28, 2010, the Company established the Audit Committee to exercise the duties and responsibilities stipulated in page 30 of the Annual Report.
 - (3) The number of training hours for each director in year 2022 is in line with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies..

3.4.2 Operations of the Audit Committee:

The Audit Committee met six (6) times in year 2022. The attendance of Independent Directors was as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Actual attendance rate (%)	Remark s
Independent Director	Fen-Ren Chien	3	0	100	Note 1
Independent Director	Chia-Yu Chang	3	0	100	Note 1
Independent Director	Kun-Ming Tsai	3	0	100	Note 1
Independent Director	Su-Lee Wen Tsai	3	0	100	Note 2
Independent Director	Ho-Hsiang Hsu	3	0	100	Note 2
Independent Director	Ching-Yi Chang	3	0	100	Note 2

Note 1: Resigned after general re-election on May 26, 2022, should attend 3 times.

Note 2: Took office after general re-election on May 26, 2022, should attend 3 times.

Other mentionable items:

1. If the operation of the Audit Committee falls under any of the following circumstances, the meeting date of the Audit Committee, the session, the content of the proposals, the independent directors' objections, reservations or major proposals, the results of the Audit Committee's resolutions, and the Company's handling of the comments of the Audit Committee.

(1) Items listed in Section 5, Article 14 of Securities and Exchange Act:

Date of Meeting	Proposal	Opinions of independent directors and handling of independent directors' opinions by the Company		
	2021 Business Report and Financial Statements	◆ Approved unanimously by the Audit Committee		
2022/2/24	2021 Statement on Internal Control System.			
1st meeting Audit	Decapitalization by cancellation of treasury stock	◆ The opinions of the Audit		
Committee	Procedures for buying back treasury stock and the operational norms incorporated into the internal control system	Committee was unanimously approved by the Board of Directors of the Company		
	Proposal on 2021 earning distribution plan.	◆ Approved unanimously by		
2022/4/11 2nd meeting	Proposal on the amendments to some provisions of the Company's Articles of Association	◆ Approved unanimously by the Audit Committee◆ The opinions of the Audit		
Audit Committee	Proposal on the amendments to the Rules of Procedure for Shareholders' Meeting.	Committee was unanimously approved by the Board of		
	Proposal on the revision of the Company's risk control limit for loaning funds to others in 2022.	Directors of the Company		
	Proposal on the independence evaluation of CPAs	◆ Approved unanimously by		
2022/5/5	Proposal on CPA's public fees for FY2022	the Audit Committee ◆ The opinions of the Audit		
3rd meeting Audit Committee	Proposal on the Company's financial statements for Q1 2022	Committee was unanimousl approved by the Board of Directors of the Company		
	Elect the convenor of the fifth term of Audit Committee	◆ Approved unanimously by		
2022/8/15 4th meeting	Proposal on the Company's consolidated financial statements for Q2 2022	the Audit Committee ◆ The opinions of the Audit		
Audit Committee	Capitalization of GLT-Optical	Committee was unanimously approved by the Board of		
	Proposal on bank financing endorsement guarantee	Directors of the Company		
	Proposal on the Company's consolidated financial statements for Q3 2022			
2022/10/28 5th meeting Audit Committee	Proposal on amending certain articles in the Corporate Social Responsibility Best Practice Principles and renaming it to the Corporate Sustainable Development Best Practice Principles.	 ◆ Approved unanimously by the Audit Committee ◆ The opinions of the Audit Committee was unanimously 		
	Proposal on the amendment to some provisions of the Operating Procedures to Prevent Insider Trading of the Company	approved by the Board of Directors of the Company		
	Proposal on the amendments to the Company's Rules of Procedure of the Board of Shareholders.			
2022/12/21	Proposal on Audit Plan for FY2023	◆ Approved unanimously by		
The 6th meeting	Proposal on the determination of the Company's risk control limit for loaning funds to others in 2023.	the Audit Committee ◆ The opinions of the Audit		

Date of Meeting	Proposal	Opinions of independent directors and handling of independent directors' opinions by the Company
Audit Committee	Proposal on the amendment to some provisions of the Company's Accounting System	Committee was unanimously approved by the Board of Directors of the Company

- 2. Apart from foregoing matters, other matters that were not approved by the Audit Committee, but were approved by two-thirds or more of all directors: None.
- 3. In regards to the recusal of Independent Directors from voting due to conflict of interests, the name of the Independent Directors, the resolutions, reasons for recusal due to conflict of interests and voting results shall be stated: None.
- 4. Communication between the independent directors, chief internal auditor, and CPAs (including the key items, methods, and results of audit of finances and operations):
 - (1) The Chief Internal Auditor of the Company reports to the Audit Committee on the establishment and revision of internal controls, the results of the annual internal control self-assessment, and the results of the audit plan.
 - (2) On April 11, 2022 and October 28, 2022, the Chief Internal Auditor of the Company communicated with the independent directors individually regarding the design and implementation of the internal control system and the implementation of the supervision and management of subsidiaries. A total of 12 communications (including by letter) were held in 2022.
 - (3) Communications on key audit matters, financial report audit situation and the latest changes and application of international accounting standards were conducted by CPAs on the meetings of the Audit Committee on February 24, 2022, May 5, 2022, August 15, 2022 and October 28, 2022.
- 5. Priorities of Review for the Year 2022
 - (1) Formulation of or amendment to the internal control system.
 - (2) Assessment of the effectiveness of the internal control system.
 - (3) Formulation of or amendment to the procedures for acquiring or disposing of assets, derivatives trading, lending funds to others, and making endorsements or guarantees to others
 - (4) Items that involve the director's own interests.
 - (5) Significant asset or derivative transactions.
 - (6) Significant loans, endorsements or guarantees of funds.
 - (7) The offering, issuance, or private placement of equity-type securities
 - (8) Appointment, dismissal and compensation of CPAs.
 - (9) Appointment and dismissal of finance manager, accounting manager, and chief internal auditor
 - (10) Annual financial report and semi-annual financial report.
 - (11) Other material matters as may be required by the Company or by the competent authority.

◆ Appointment of CPAs

To ensure the independence of the certified accounting firm, the Audit Committee has established the independence evaluation report based on Article 47 of the CPAs Act and No. 10 Statement of the Professional Ethics Standards for CPAss to evaluate the independence, professionalism, and qualifications of CPAs, whether they are related parties of the Company, and whether there are relations involving business or financial interests. The Company reviewed the independence evaluation of the CPAs Chao-Mei Chen and Cheng-Chuan Yu from Deloitte & Touche on the Audit Committee and the Board of Directors on May 5, 2022 and found them to meet the standards and eligible to serve as the Company's CPAs for finance.

◆ Review financial statements:

The Company has produced the annual operating report, financial statements and earnings distribution plan, etc. for year 2022, which have been examined by the Audit Committee and found to be conforming. The annual financial statements have been audited by Deloitte & Touche and the audit report has been issued.

◆ Assessment of the effectiveness of the internal control system:

The Audit Committee regularly communicated with the Chief Internal Auditor and the CPAs on matters including the design and implementation of the internal control system, the supervision and management of subsidiaries, and concluded that the Company has adopted the necessary control mechanisms to monitor and correct irregularities. On February 23, 2023, the Audit Committee and the Board of Directors approved the Statement of Internal Control System for the year 2022.

3.4.3 Composition and operation of the Remuneration Committee

1. Information on the members of the Remuneration Committee

	N.			
Title	Name Criteria	Professional Qualification and Experience	Status of Independence	Number of members concurrently serving on the salary and compensation committee of other public companies
Independent Director	Su-Lee Wen Tsai (Convener)	With More than 25 years of experience in business, legal, financial, accounting or corporate business, currently serving as the Chairman of Eastern International Advertising Co., Ltd.	 (1) Not an employee of the Company or any of its affiliates. (2) Not directors or supervisors of the Company or its affiliates. (3) Not a natural-person shareholder whose shareholding, together with those of his/her spouse, minor children, and shares held under others' names, exceed 1% of the total number of outstanding shares of the Company, or ranks the person in the top ten shareholders of the Company. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the managerial officers listed in subparagraph (1) or persons listed in subparagraphs (2) and (3); (5) Not a director, supervisor or employee of a corporate 	2
Independent Director	Ho-Hsiang Hsu	More than 25 years of experience in commercial, legal, financial, accounting or corporate business, once served as the Chairman of Chen Hsiang Co., Ltd. and the Chairman of Kendley Industries Co., Ltd.	shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 27 of the Company Act. (6) Not a Director, Supervisor, or employee of a company with a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person. (7) Not a director (or a managing director), supervisor, or employee of another company or institution where the Chairman, the General Manager, or person holding an equivalent position of the Company and a person in an equivalent position at another company or institution are the same person or are spouses. (8) Not a Director (member of the governing board),	0
Others	Huey-Min Chen	More than 20 years of experience in business, legal, finance, accounting or corporate business, currently serving as Special Assistant to the Chairman of Via Technologies	Supervisor (member of the supervising board), managerial officer or shareholder who holds more than five (5) percent of shares of companies or institutions that have financial or business dealings with the Company (9) Not a professional individual, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; Provided that this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations. (10) Not fallen under Section 30 of the Company Act.	0

- 2. Operational status of the Remuneration Committee
 - According to Article 3 of the Company's Organization Procedures of the Remuneration Committee, the Remuneration Committee shall perform the following functions and powers by taking into account the normal level of payment of the peer and the rationality of the correlation between individual performance, company operating performance and future risks:
 - ◆ Establish and regularly review the performance evaluation of directors and managerial officers in conjunction with the remuneration policies, systems, standards, and structure.
 - ◆ Regularly evaluate and determine the remuneration of the Company's directors and managerial officers.
 - (1) The Company's Remuneration Committee consists of 3 members.
 - (2) Term of office of the current term: August 15, 2022 to May 25, 2025. A total of 2 meetings were held by the Remuneration Committee in 2022, where the qualifications and attendance of the members are as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Actual attendance rate (%) (Note)	Remarks
Convener	Chia-Yu Chang	1	0	100	Note 1
Member	Fen-Ren Chien	1	0	100	Note 1
Member	Huey-Min Chen	2	0	100	-
Convener	Su-Lee Wen Tsai	1	0	100	Note 2
Member	Ho-Hsiang Hsu	1	0	100	Note 2

Note 1: Outgoing director, required to attend 1 meeting.

Note 2: Newly elected as an independent director after the general re-election on May 26, 2022, and appointed as a member of the Remuneration Committee by the Board of Directors on August 15, 2022, required to attend 1 meeting.

Other mentionable items:

- 1. If the Board of Directors does not adopt or amend the recommendations made by the Audit Committee, the date and session of the Board of Directors' meeting, resolutions, voting results and handling of opinions of the Remuneration Committee by the Company shall be disclosed (if the remuneration approved by the Board of Directors is better than that of the Remuneration Committee, the discrepancies and related reasons shall be stated): None.
- 2. If the members of the Remuneration Committee has any dissenting opinion or qualified opinions on the resolutions of the Remuneration Committee, where such opinions are documented or issued through written statements, the date and session of the meeting of the Remuneration Committee, resolutions, all the members' opinions and handling of these opinions shall be stated: None

The date, session, and proposal of the Remuneration Committee meetings in FY2022:

		· · · · · · · · · · · · · · · · · · ·
Date of		Opinions of all Remuneration Committee
Meeting	Proposal	members and the Company's handling of
(Session)		such opinions
	Remuneration for directors and	◆ Approved by all members present.
2022/2/22	supervisors in 2021 and the distribution ratio	◆ The opinions of the Remuneration
(1st Meeting)	The amount of remuneration distribution to senior managerial officers in 2021	Committee was unanimously approved by the Board of Directors of the Company
2022/12/8 (2nd Meeting)	Election of the Convenor of the Remuneration Committee member Review of remuneration of independent directors of the Company The range and rationality of yearend bonus for senior managerial officers in FY2022	 ◆ Approved by all members present. ◆ The opinions of the Remuneration Committee was unanimously approved by the Board of Directors of the Company

3.4.4 Membership and operation of the Nomination Committee

At least one member of the Company's Nomination Committee must have operational judgment, management, crisis management, international market perspective, leadership, decision-making ability or experience in finance, accounting and related industries, and should faithfully perform the following duties and responsibilities with the attention of a good manager:

- ◆ Establish and review the criteria for the selection of directors and managers, including the composition and qualifications of directors and managers, and succession plans.
- ◆ Select and review suitable candidates for directors and managers, assess the independence of independent directors, and propose a list of candidates to the Board of Directors.
- ◆ Establish and review the establishment, duties and operations of the various committees of the Board of Directors, and review the qualifications and potential conflicts of interest of the members of each committee.
- ◆ Establish and regularly review the director development plan and succession plan for senior managerial officers.
- Other matters to be conducted by the Committee as per board resolution.
- (1) The Company's Nomination Committee consists of 3 members.
- (2) Term of office of the current term: May 26, 2022 to May 25, 2025. A total of 2 meetings were held by the Nomination Committee in 2022, where the qualifications and attendance of the members are as follows:

Title	Name	Professional Qualification and Experience	Attendance in Person	Attendance by Proxy	Actual attendance rate (%) (Note)	Remarks
Convener	Mang- Shiang Lee	Over 25 years of experience in management, investment decision making and industry, currently serving as the Chairman of GLT	2	0	100	-
Member	Fen-Ren Chien	Over 25 years of experience in management, investment decision making and industry, currently serving as the Chairman of U-Neuron Biomedical Inc. and Chairman of Revasgen Biomedical Inc.	1	0	100	Note 1
Member	Kun-Ming Tsai	More than 25 years of experience in operation management, investment decision-making and industry, currently serving as the Chairman of J-MEX Inc., Chairman of Lianju Investment Co., Ltd., and the director of J-Tek Incorporation Co., Ltd.	1	0	100	Note 1
Member	Su-Lee Wen Tsai	Over 25 years of experience in management, investment decision making and industry, currently serving as the Chairman of Eastern International Advertising Co., Ltd.	1	0	100	Note 2
Member	Ho- Hsiang Hsu	Over 25 years of experience in business management, investment decision making and industry, currently serving as the Chairman of Chen Hsiang Co., Ltd.	1	0	100	Note 2

Note 1: Resigned after general re-election on May 26, 2022, should attend 1 times.

Note 2:Newly elected as an independent director after the general re-election on May 26, 2022, and appointed as a member of the Nomination Committee by the Board of Directors on the same day, required to attend 1 meeting.

Other mentionable items:

The meeting date, session, content of the main proposals of the Nomination Committee for the year 2022, suggestions or objections from members of the Nomination Committee, resolution results of the Nomination Committee, and the Company's handling of the opinions of the Nomination Committee:

Date of Meeting (Session)	Proposal	Opinions of all Nomination Committee members and the Company's handling of such opinions
2022/4/11 (4th meeting of the 1st term)	List of Candidates for Directors of FY2022	 ◆ Approved by all members present. ◆ The opinions of the Nomination Committee was unanimously approved by the Board of Directors of the Company
2022/8/15	Elect the convenor of the 2nd term of Nomination Committee	◆ Approved by all members present.◆ The opinions of the Nomination
(1st meeting of the 2nd term)	List of Candidates for Members of the 5th term of Remuneration Committee	Committee was unanimously approved by the Board of Directors of the Company

3.4.5 Operation of corporate governance and deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

				Implementation status	Deviations from
	Assessment Item	Yes	No	Summary	Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
I.	Does the Company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?			(I) In order to implement the spirit of corporate governance and to give priority to shareholders' rights and interests, the Company has established the Corporate Governance Best-Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and relevant laws and regulations, which was adopted on the board meeting on August 5, 2019, and has been disclosed in the Corporate Governance Zone of the Company's website.	Corporate Governance Best-
II. (I)	Shareholding structure & shareholders' rights Does the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to internal procedure?	V		(I) The Company has a spokesperson and an acting spokesperson who are responsible for handling shareholders' suggestions, doubts or disputes, and coordinating with relevant units of the Company for implementation.	
(II)	Does the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those of major shareholders?	V		(II) The Company has access to a list of major shareholders and their ultimate controllers.	In line with the Corporate Governance Best- Practice Principles
(III)	Does the Company establish and enforce risk control and firewall systems with its affiliated companies?	V		(III) The Company has established a Code of Conduct for Inter-Affiliate Financial Operations, which provides that the authority and responsibility for asset and financial management among affiliates should be independent of each other, and that the internal control system of the Company and each affiliate should be followed to ensure the implementation of the internal control system and firewall mechanism.	Listed Companies.
(IV)	Does the Company have internal regulations in place to prevent its internal staff from trading securities based on information yet to be public on the market?	V		(IV) The Company has formulated the Operating Procedures to Prevent Insider Trading, which expressly prohibits insiders from using unpublished information in the market to trade securities.	

				Implementation status	Deviations from
	Assessment Item		No	Summary	Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
III.	Composition and responsibilities of the Board of Directors				
(I)	Does the Board formulate diversity policies, specific management objectives and implement them?	V		(I) The Company sets out in its Corporate Governance Best-Practice Principles the consideration of diversity in the membership of the Board, as shown in page 17.	f
(II)	Does the Company voluntarily establish other functional committees in addition to the legally-required Remuneration Committee and Audit Committee?	V		(II) The Company has established a Remuneration Committee and an Audit Committee in accordance with the law, and a Nomination Committee was established on December 10, 2020. Please refer to page 36 to 38 for their powers and operation information.	
(III)	Does the Company establish standards and methods for evaluating Board performance, conduct annual performance evaluations, submit performance evaluation results to the Board, and use the results as a basis for determining the compensation and nomination of individual directors?	V		(III) The Company conducts regular performance evaluations annually in accordance with the Performance Evaluation Measures of the Board of Directors, and submits the performance evaluation results to the Board of Directors as reference for the Remuneration Committee to determine the remuneration of directors. Please refer to page 28 to 29 for the evaluation results of FY2022.	for TWSE/TPEx Listed Companies.

			Implementation status				
Assessment Item		No	Summary	Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons			
(IV) Does the Company regularly assess on the independence of CPAs?	V		 (IV) The Company evaluates the independence and competence of its CPAs annually, and requires them to provide an Independent Declaration and Audit Quality Indicators (AQIs). According to the following standards and 13 AQIs, it is confirmed that both the CPAs and the accounting firm meet the Company's independence and competency evaluation standards. The most recent annual evaluation results have been evaluated for the CPAs' independence and competency through a resolution passed by the Audit Committee and Board of Directors on April 19, 2023. 1. The appointed CPA had no significant financial interest in the Company. 2. The appointed CPA has avoided any inappropriate relationship with the Company. 3. The appointed CPA so does not serve as the director, managerial officer, or a position with significant influence on the audit at present or within the recent two years. It is also confirmed that he will not serve in these positions in the future. 5. During the audit, the appointed CPA and his spouse or relatives do not serve as the directors, managers, or the position with a direct and significant impact on the audit. 6. The name of the appointed CPA should not be used by others. 7. The appointed CPA shall not borrow money from the Company, except for normal dealings with the financial industry. 8. The appointed CPA shall not engage in any other business in which they may lose their independence. 9. The appointed CPA shall not receive any commission related to his business. 10. The appointed CPA shall not concurrently serve in the Company on a regular and fixed salary. 12. The appointed CPA shall not co-invest or share interests with the Company. 13. The appointed CPA shall not involve in the Company's decision-making. 				

			Implementation status	Deviations from
Assessment Item	Yes	No	Summary	Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
IV. Has the TWSE/TPEx listed company designated an appropriate number of qualified corporate governance personnel and appointed a corporate governance officer responsible for matters related to corporate governance (including but not limited to providing directors and supervisors with the necessary information for operation, assisting directors and supervisors in following regulations, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations, preparing minutes for Board meetings and the shareholders' meetings, etc.)?	V		The corporate governance officer of the Company is the Chief financial Officer, and the Finance Department, the Secretary of the Board of Directors, intellectual finance and other competent and responsible units concurrently work on corporate governance related matters. The Board of Directors plans and formulates the agenda after consulting the opinions of all the directors, and informs all the directors to attend the meeting at least 7 days before the meeting so that the directors can learn about the contents of the relevant proposals; it registers the date of shareholders' meeting every year according to the law, prepares and reports the notice of meeting, procedure manual and minutes before the deadline. Scope of functions of the Governance Team of the Company: 1. Execute related affairs for the Board of Directors meetings and shareholders' meetings 2. Prepare meeting minutes for the meetings of the Board of Directors and shareholders' meetings 3. Assist directors in their appointment and continuing education. 4. Provision of information required for performance of duties by the Directors 5. Assist the Directors in regulatory compliance 6. Other matters set forth in the Company's Articles of Association or contracts. Execution highlights in 2022: 1. Establish a corporate governance structure 2. Formulate and modify the regulation related to corporate governance 3. Provide information necessary for directors to perform their duties 4. Arrange continuing education of directors 5. Assist the Board of Directors and shareholders' meeting in their procedures and legal compliance 6. Register the date of the shareholders' meetings in advance based on the law. Prepare the meeting notice, manual, and record within the statutory period. Handle company change registration when amending articles of association or re-electing the directors 7. Deal with the Company information disclosure and website maintenance 9. Deal with the insurance of director liability	In line with the Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies.

						Impler	nentation status			Deviations from Corporate
	Assessment Item	Yes	No		Summary					
			(Continuing education	in 2022				_	
				Organizer	Name	Date of Course	Course Title	Hours		
				Securities & Futures Institute		2022/05/20	2022 Insider Trading Prevention Seminar	3		
				Taiwan Stock Exchange (TWSE)	Mei-	2022/09/20	Independent Directors and Audit Committee Reference Guideline Release and Director Advocacy Meeting	3		
				Securities &	Chen Chuang	2022/10/19	Workshop on Equity Trading Compliance for Insiders of Publicly Listed Companies for 2022	3		
				Futures Institute		2022/11/24	Introduction to the Debate over Company Management Rights and the Commercial Event Trial Law	3		
V.	Does the Company establish communication channels and a dedicated section on the Company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	V		The Company's information and (II) The Company h	The Company has a spokesman and acting spokesman system, which is staffed by dedicated personnel. The Company's litigation and non-litigation agents are responsible for the disclosure of proxy information and serve as a channel of communication between the Company and its stakeholders. The Company has set up a stakeholder zone on its website to respond to stakeholders' concerns through convenient communication channels.					In line with the Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies.
VI.	Does the Company commission a professional stock affair agency to manage shareholders' meetings and other relevant affairs?	V	t	The Company has transfer agent.	Company has designated the Shareholding Service Department of Taishin Securities as the stocker agent.					In line with the Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies.

			Implementation status				
	Assessment Item		No	Summary	Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons		
VII. (I)	Information disclosure Does the Company establish a website to disclose information on financial operations and corporate governance?	V		(I) The Company's website (http://www.glthome.com) has a corporate governance and investment zone, which contains information about the Company's corporate governance and financial operations.			
(II)	Does the Company adopt other means of information disclosure (such as establishing an English language website, delegating a professional to collect and disclose company information, implement a spokesperson system, and disclosing the process of investor conferences on the Company website)? Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly	v		 (II) The Company regularly announces financial information on the Market Observation Post System to ensure that information that may affect shareholders' and stakeholders' decisions is disclosed in a timely and appropriate manner. The Company also has a spokesperson system to handle questions and answers from investors and shareholders, and discloses financial information and corporate presentation information on the Company's website in a timely manner. (III) The Company's 2022 annual financial report was approved by the Board of Directors on February 23, 2023 and uploaded to the Market Observation Post System on February 24, 2023. 	In line with the Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies.		
	financial statements, as well as monthly sales results, before the prescribed time limit?						

VIII. Does the Company disclose other
information to facilitate a better
understanding of its corporate governance
(including but not limited to employee's
rights, employee care, investor relations,
supplier relations, stakeholders' rights,
further studies of directors and supervisors,
implementation of risk management
policies and measurement standards,
implementation of customer policies and
purchase of liability insurance for the
directors and supervisors of the Company)?

- (I) The Company has set up an investor zone and a stakeholder zone on the Company's website to provide employees/investors/customers/suppliers with important information on the Company's labor, financial and business affairs and contact information for responsible personnel on various issues of concern. In addition, an employee and Welfare Committee zone is set up on the Company's internal website to provide employees with various management rules, working codes, activity notices, and channels for employees to complain, so as to safeguard employees' rights and interests and promote harmonious labor-capital relations.
- (II) Continuing education of directors and supervisors:

Title	Name	Date of Course	Organizer	Course Title	Number of Hours
Chairman	Mang- Shiang	2022/04/22	Taiwan Institute for Sustainable Energy	Taishin 30 Sustainable Net Zero Summit Forum - Serious Net Zero for Sustainable 2030	3
Chairman	Lee	2022/10/26	Securities & Futures Institute	Workshop on Equity Trading Compliance for Insiders of Publicly Listed Companies for 2022	3
Corporate Director	Jiann- Shiun	2022/09/30	Taiwan Corporate Governance	Public relations principles for handling corporate legal issues	3
Representative	Lin		Association	2030/2050 Green Industrial Revolution	3
Director	Tzu- Hsin	2022/04/22	Taiwan Institute for Sustainable Energy	Taishin 30 Sustainable Net Zero Summit Forum - Serious Net Zero for Sustainable 2030	3
	Chang	2022/08/25	Taipei Exchange (TPEx)	Workshop on Equity Compliance for Insiders of TWSE/TPEx-listed Companies	3
Director	Ching- Ling Wang	2022/07/26- 2022/07/27	Securities & Futures Institute	Practical Seminar for Directors and Supervisors (Including Independent Ones) and Corporate Governance Officers - Taipei Class	12
Independent	Su-Lee 2022/10/11 Exc		Taiwan Stock Exchange (TWSE)	Independent Directors and Audit Committee Reference Guideline Release and Director Advocacy Meeting	3
Director	Wen Tsai	2022/11/29	Taiwan Corporate Governance Association	From ESG to SDGs - Impact Investment	3
Independent Director	Ho- Hsiang Hsu	2022/06/21- 2022/06/22	Securities & Futures Institute	Practical Seminar for Directors and Supervisors (Including Independent Ones) and Corporate Governance Officers - Taipei Class	12

In line with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Title	Name	Date of Course	Organizer	Course Title	Number of Hours
Independent Director	Ching- Yi	2022/10/19	Digital Governance Association	Workshop on Equity Trading Compliance for Insiders of Publicly Listed Companies for 2022	3
Director	Chang	2022/11/04	Securities & Futures Institute	Technology development and business model of electric and smart vehicles	3

- (III) Implementation of risk management policy and risk measurement standards: Before the Company's board meeting, the management will report the financial status to the Board of Directors and the directors will provide professional opinions, including the possible risks for the management's reference. Based on the risk assessment and measurement, the Audit Office regularly proposes an audit plan, which is submitted to the Board of Directors for approval and implemented accordingly. The actual audit status and report shall be reviewed by the members of the Audit Committee. In addition, after completing the annual internal control self-assessment, the relevant departments of the Company will report the statement of internal control system in accordance with the regulations of the TWSE and reveal it in the annual report of the shareholders' meeting.
- (IV) The Company regularly takes out directors' liability insurance each year and reported the period, amount and contents of the insurance to the Board of Directors on December 21, 2022.
- IX. Improvements made in the most recent fiscal year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved.
 - (I) The Company continues to work on issues and measures related to the corporate governance evaluation indicators, such as greenhouse gas checking and ESG program promotion.
 - (II) The Company was ranked 21%~35% in the 2022 Annual Corporate Governance Assessment for TWSE/TPEx-Listed Companies held by the Taiwan Stock Exchange and will continue to strengthen and improve its corporate governance to protect the rights and interests of investors and other stakeholders.

3.4.6 Implementation of the promotion of sustainable development and the differences and reasons from the Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies

	for TwSE of TEX Listed Companies				C404	f Implementation	Deviations from			
			1							
							the Sustainable			
							Development			
							Best Practice			
	Promoted Item	Ves	No			Summary	Principles for TWSE/TPEx			
		103	110		Summary					
							Listed			
							Companies and			
							Reasons Thereof			
I.	Does the Company establish a governance structure to	V				vernance team to be responsible for assisting in the				
	promote sustainable development, and set up a full-time			implementation	n of social and	corporate governance issues, and completed the	provisions of the			
	(part-time) unit to promote sustainable development,			environmental	surface - greenho	ouse gas checking schedule in FY2022 to improve	Sustainable			
	which is authorized by the Board of Directors to be			the governanc	e structure for su	stainable development. The corporate governance	Development			
	handled by senior management, and the supervision of			team reports th	ne implementation	status to the Board of directors at least once a year.	Best Practice			
	the Board of Directors ?			The Board of	Directors supervise	es the authority and responsibility unit annually and	Principles for			
				regularly track	s and evaluates th	e possibility of implementation. It also reviews the	TWSE/TPEx			
				progress of the	e strategy frequen	tly and puts forward suggestions for improvement	Listed			
				when appropri	ate.		Companies.			
II.	Has the Company assessed the environmental, social,	V								
	and corporate governance risks related to its operations			Policy and esta	ablished a risk mar	nagement team to conduct risk assessments with the				
	based on the principle of materiality and established					environmental, social and corporate governance				
	related risk management policies or strategies?			issues related	to the operations	of the Group (including the merged entities) in				
				accordance wi	th the materiality p	principle, and then adjust the management practices				
				based on the	assessment results	. It reports the implementation information to the	In line with the			
				Board of Dire	ectors every year.	The Chief Governance Officer of the Company	provisions of the			
				reported to the	Board of Director	s on December 21, 2022 on the status of sustainable	Sustainable			
				development a	nd risk manageme	nt operations as follows:	Development			
				Dials tyma	Breakdown of risk	Performance of management	Best Practice			
				Risk type	Business	1.The Company has taken out insurance for business	Principles for			
						* *	TWSE/TPEx			
					interruptions,	interruption and damage to property and equipment to	Listed			
				Operations	supply chain	partially transfer the risks that the Company may bear, and has established a mechanism for mutual	Companies.			
1				and	disruptions,					
1				environment	damage to	backup of production capacity among plants.				
1					property and	2.The Company conducts annual audits of its contractors/subcontractors and establish 2 or more				
I					equipment,					
1					responsibilities of	eligible supplied suppliers for major materials to				
					contractors/subco	minimize the procurement risks.				

		Status of Implementation						
Promoted Item	Yes	No			Summary	the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof		
				ntractors, and policies related to climate change	3.Greenhouse gas checking and verification schedule has been planned and submitted to the Board of Directors on May 26, 2022. 4.Energy and water saving equipment, solar panels, and internal workflows have been adopted to promote online signatures instead of paper work, in order to reduce electricity and carbon emissions.			
			Social risks	Occupational safety and health, transmission of major infectious diseases, and labor human rights	 1.The Company conducts annual environmental/work hazard assessment to enhance employees' risk awareness. 2.The Company organizes building/fire safety inspection and fire drill once per year, and holds safety and health committee meeting once per quarter. 3.The Company has 2 licensed factory nurses and a factory doctor stationed at the factories on a monthly basis. In 2022, a total of 16 events were held and received 73 consultations. 4.The participation rate of health checkups in FY2022 was 99%, and the participation rate of special medical checkups (noise and dust) was 100%. 5.Health promotion events: monthly employee health promotion e-newsletter, health stress relief activities and human factors lectures were held once each month. 6.The Company has activated the COVID-19 epidemic prevention and response center, and dynamically adjusted various epidemic prevention measures and materials, with a cumulative confirmation rate of 45%. The vaccination rate was 99% for the first dose, 98% for the second dose, and 91% for the third dose. 			

			Status of Implementation De								
	Promoted Item	Yes	No		Summary						
						7.Safety, health and environmental on-the-job education and training: 348 participants attended the training as of November 2022; 32 on-site safety and health improvements were completed.					
				Governance	Interest rate fluctuation risk, credit risk, liquidity risk, law compliance	1.The Finance Department interacts frequently with banks to keep abreast of exchange rate and interest rate movements and to make timely arrangements for the flow of the Group's capital. 2.The banks selected by the Group's companies are well-known domestic and foreign financial institutions, such as Citibank and Fubon Commercial Bank, and the four major banks in mainland China. 3.To ensure market liquidity and cash flow risk, the Group does not engage in high-risk derivatives, forward foreign exchange and option trading instruments. 4.Each unit keeps abreast of the latest policies and legal amendments through various e-newsletters/awareness sessions/external training courses.					
III. (I)	Environmental issues Does the Company establish a suitable environmental management system based on the nature of its industry?	V		safety a		shed ISO14001 and ISO45001 environmental and ement systems and adheres to the principles of t.					
(II)	Does the Company strive to improve energy efficiency and use recycled materials with low impact on the environment?	V		improvir	ng energy utilization	ed to the production process of low consumption, on, reducing the consumption of raw materials for tion of waste, and promoting green and harmless	In line with the provisions of the				

			Status of Implementation	Deviations from
Promoted Item	Yes	No	Summary	the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
			product activities to provide environmentally friendly products to countries around the world.	Best Practice
 (III) Does the Company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues? (IV) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies? 		V	 (III) At present, LED flat panel lights have been adopted in all of our factories in order to respond to energy saving and carbon reduction efforts. (IV) The Company continues to implement energy-saving equipment in its plants and office spaces to improve energy efficiency and reduce the impact on the environment, and has established a greenhouse gas checking schedule for the Group (including merged entities) in accordance with regulations, and reports the progress of implementation to the Board of Directors on a quarterly basis. 	Listed Companies.
 IV. Social issues (I) Does the Company set up management policy and procedures according to related laws and regulations and the International Bill of Human Rights? 	V		 (I) To fulfill the corporate social responsibility, protect the basic human rights of employees and various stakeholders, and comply with the relevant regulations, the Company follows the Universal Declaration of Human Rights, the UN Global Compact, and the ILO Declaration of Fundamental Principles and Rights at Work and has formulated the Human Rights Policy Management Regulation to comply with local labor laws and prevent human rights abuses. Specific management plan: From the time of recruitment, the Company conducts the employment process in accordance with the law, and applicants are required to provide identification documents to the Company in order to eliminate the problem of child labor. The Company implements ISO45001 and regularly cares about and manages the attendance status of employees, avoids force labor, and sets up Special Leave Management Measures, and arranges three to five consecutive days off per year according to their seniority, so that employees can get a full rest after work. 	In line with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

			Status of Implementation	Deviations from
Promoted Item	Yes	No	Summary	the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
(II) Does the Company establish appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	V		 3. The Company has established a complaint hotline and mailbox, and implements ISO45001 management system to regularly conduct safety and health training and employee health checks to provide a friendly and safe working environment. 4. The Company has a hotline and a mailbox to report any discriminatory or disrespectful behavior to the Company's website - Stakeholder Report. 5. In order to help employees maintain physical and mental health and worklife balance, the Company provides various allowances and subsidies for club activities, as shown in Human Resources - GLT Welfare. 6. The Company regularly conducts human rights protection-related education and training, covering topics such as sexual harassment, stalking harassment and workplace abuse prevention. In 2022, the course duration was 4.6 hours, with a total of 471 participants completing the training. 7. To create a fair, friendly and anti-discriminatory work environment, the Company has barrier-free facilities and parking spaces for pregnant women in the factory. (II) The Company follows the Labor Standards Act and related laws and regulations to set up various salary and benefit measures for employees, and pays performance bonuses through regular performance appraisals to share the business results with employees. The Company has also established the Childcare Allowance Management Regulations, which provides a monthly subsidy of NT\$5,000 for each child under 6 years of age. Diversity and equality in the workplace: The Company values gender equality and equal pay, with 65.9% of employees being female and 27.9% being female executives in FY2022. 	

			Status of Implementation	Deviations from
Promoted Item	Yes	No	Summary	the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
(III) Does the Company provide employees with a safe and healthy work environment as well as regular classes on health and safety?	V		(III) The Company attaches great importance to the health of its employees. In addition to conducting labor environment inspections in accordance with the law, the Company also arranges regular health checkups and provides continuous training and promotion to enhance employees' emergency response capability and safety concepts. The Company has 2 full-time nurses and employs an occupational physician to provide health consultation, care for pregnant workers, and inspection of workplace safety, etc. The number of major occupational accidents in FY2022 was 0 per person. It will continue to promote traffic safety and enhance environmental safety to provide a healthy working environment for employees.	
(IV) Does the Company establish an effective competency development career training program for employees?	V		(IV) In order to assist employees' career development and enhance their professional skills, the Company encourages employees to participate in a wide range of education and training programs, including new employee training general education courses, professional courses, work safety courses and various job-related training courses, in order to effectively cultivate employees career development.	provisions of the Sustainable Development
(V) Does the Company comply with relevant laws and regulations and international standards, and has a policy and complaint procedure to protect the rights of consumers or customers with respect to the health and safety of customers, customer privacy, marketing and labeling of products and services?	V		(V) The Company strictly adheres to relevant regulations and international standards (such as ISO14001) regarding customer health and safety, customer privacy, marketing, and labeling of our products and services. Our colleagues sign relevant confidentiality clauses upon induction to protect the privacy of the Company and its stakeholders. The Company has also set up a dedicated email address to deal with issues related to the Company's consumer rights complaints, and to handle related complaints in a fair and timely manner.	TWSE/TPEx Listed Companies.
 (VI) Does the Company establish a supplier management policy, does it require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status? V. Does the Company prepare sustainable development 	V	**	(VI) The Company has established Supplier Management Procedures to implement corporate social responsibility with suppliers in the areas of environmental protection, occupational safety and health, and human rights protection. It also evaluates suppliers according to the Green Supplier Evaluation Form, which includes compliance with laws and regulations, environmental protection requirements, and green environmental protection laws and regulations. The Company is not yet an enterprise that is required by law to prepare a ESG	

			Status of Implementation	Deviations from
				the Sustainable
				Development
				Best Practice
Promoted Item	Vac	No	Chambridge	Principles for
	res	INO	Summary	TWSE/TPEx
				Listed
				Companies and
				Reasons Thereof
report and other reports that disclose non-financial			report, but will do so in the future depending on practical needs.	provisions of the
information by following international reporting				Sustainable
standards or guidelines? Has the said Report acquired				Development
third party verification?				Best Practice
				Principles for
				TWSE/TPEx
				Listed
				Companies.

- VI. If the Company has its own code of practice for sustainable development in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe the differences between its operation and the code:

 In accordance with the file T.Z.Z.L.Z. No. 11000241731 from the TWSE, the Company's Board of Directors approved the amendment to some provisions of the Corporate Social Responsibility Best Practice Principles on October 28, 2022 and renamed it as the Sustainable Development Best Practice Principles, which is in line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
- VII. Other important information to help understand the implementation of sustainable development:
 - 1.On May 13, 2022, donated 50 epidemic prevention kits to Shin Kong Wu Ho-Su Memorial Hospital.
 - 2.On May 26, 2022, a video-assisted shareholders' meeting was held, and shareholders' participation in the meeting was not restricted to the location in order to protect shareholders' rights.
 - 3.On October 26, 2022, donated e-books with Yuantai and other companies in "e-Read the Future".
 - 4.GLT-Shanghai purchased green power to reduce the proportion of traditional thermal power generation and prevent environmental pollution from worsening.

3.4.7 Ethical Corporate Management and Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons

					Implementation status	Deviation from the "Ethical
	Assessment Item	Yes	No		Summary	Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons for Deviation
I.	Stipulating policies and plans for ethical corporate management					
(I)	Does the Company establish an ethical corporate management policy approved by the Board of Directors, and declare its ethical corporate management policy and measures in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?			(I)	The Company has formulated the Ethical Corporate Management Best Practice Principles and the Procedures and Guide to Practices of Ethical Corporate Management, which stipulate that directors, managers, employees and persons with substantial control ability should avoid conflicts of interest and gaining personal profits.	
(II)	Does the Company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes preventive measures for conduct specified in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?			(II)	The Company's Ethical Corporate Management Best Practice Principles has specifically covered the provisions of Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies or business activities with high risk of dishonest behavior. The Company strengthens the relevant preventive measures through the operation method and the Company's internal control establishment, and strengthening education and training and internal publicity.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
(III)	Does the Company specify operating procedures, guidelines for conduct, punishments for violation, rules of appeal in the unethical conduct prevention plan, and does it implement and periodically review and revise the plan?			(III)	The relevant operating procedures and disciplinary and appeal systems for violations are clearly defined in the Procedures and Guide to Practices of Ethical Corporate Management of the Company, and the Company will continue to strengthen publicity and guidance to all employees to ensure their implementation.	
II. (I)	Implementing ethical corporate management Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	V		(I)	Before engaging in various commercial activities, the Company has conducted credit checks on customers/manufacturers, checked their integrity	Best Practice Principles for

			Implementation status	Deviation from the "Ethical
Assessment Item	Yes	No	Summary	Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons for Deviation
			status, and explicitly stipulated integrity clauses in the contract.	Companies.
(II) Does the Company establish an exclusively dedicated (part time) unit supervised by the Board of Directors to be in charge of ethical corporate management and report to the Board of Directors the implementation of ethical corporate management policies and prevention programs on a regula basis (at least once a year)?			The HR Department is the Company's unit responsible for ethical corporate management policies, handling the revision, implementation and supervision of management measures, and reported to the Board of Directors on December 21, 2022. The annual performance of duties is described as follows: 1. Sign the Letter of Integrity Commitment for Contractors with manufacturers every year. 2. Perform regular integrity policy promotion and training. On November 10, 2022, a briefing was held to department heads to discuss the importance of ethical corporate management best practice principles, which include preventive actions, execution direction, and handling of unethical behaviors. The training lasted for 1 hour and a total of 45 participants participated. 3. Each colleague signed a Fair Competition Contract. 4. Develop a whistle-blowing system and ensure its implementation effectiveness. 5. Assist the Board of Directors in supervising the management in review and evaluation of whether the preventive measures established for ethical corporate management are functioning effectively; regularly evaluate the status of compliance based on relevant business processes.	

	7				Implementation status	Deviation from the "Ethical
	Assessment Item	Yes	No		Summary	Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons for Deviation
(III)	Does the Company establish policies preventing conflict of interests, provide proper channels of appeal, and enforce these policies and channels accordingly?	V		(III)) The Company has established the Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct, which stipulate that directors, managerial officers, and employees should avoid conflicts of interest when handling official duties. If any violations of these regulations are found, they can report to the head of the HR Department or through the Company's reporting mailbox or intranet complaint box.	In line with the Ethical
(IV)	Does the Company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for devising relevant audit plans based on the results of assessment of any unethical conduct risk, examining accordingly the compliance with the prevention programs, or engaging CPAs to carry out the audit?	V		(IV	The Company actively implements ethical corporate management, and internal auditors regularly inspect the actual compliance situation in accordance with accounting systems, internal control systems, and relevant regulations, and report to the Board of Directors.	Companies
(V)	Does the Company regularly organize internal and external training for ethical corporate management?	V		(V)	Ethical corporate management education and training are mandatory courses for new employees, and the Company also strengthened its promotion to employees through a briefing on December 13, 2022.	
III. (I)	Status for enforcing whistleblowing systems in the Company Does the Company establish a specific whistleblowing and	V		(I)	The Company provides employees with sufficient appeal rights. In case of dishonesty, unfairness, etc.,	
	reward system, set up convenient whistleblowing channels, and designate appropriate personnel to handle the investigations, depending on the identity of the person being reported? Does the Company establish standard investigation	V		(II)	they can report through appeal channels such as email or employee complaint boxes. The Company will procure the HR Department or Chief Internal Auditor to handle it in a cautious and proactive manner. The Company specifies the reporting method and	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed
()	operation and procedure for whistleblowing matters and relevant protective mechanisms?			()	handling procedures in Article 21 of the Procedures and Guide to Practices of Ethical Corporate Management, and will keep the acceptance record confidential.	Companies.

				Implementation status	Deviation from the "Ethical
	Assessment Item	Yes	No	Summary	Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons for Deviation
(III)	Does the Company adopt protection against inappropriate disciplinary actions for the whistleblower?	V		(III) The relevant personnel of the Company handling whistleblowing shall declare in writing that they will keep the identity and content of the whistleblower confidential, and promise to protect the whistleblower from improper treatment due to the whistleblowing.	
IV.	Enhancing information disclosure Does the Company disclose the contents and effectiveness of its Code of Conduct on its website and the Market Observation Post System?	V		In order to protect shareholders' rights and interests, the Company exposes on its website the Ethical Corporate Management Best Practice Principles, the Procedures and Guide to Practices of Ethical Corporate Management and promotional content.	Corporate Management Best Practice Principles for
V.	Where the Company has stipulated its own ethical corpor Principles for TWSE/GTSM Listed Companies," please des Company: No significant difference.				
VI.	Other important information to facilitate better understandi corporate management policies) None.	ing c	of the	Company's ethical corporate management: (e.g., review of	and amendments to ethical

^{3.4.8} Please disclose access to the Company's Sustainable Development Best Practice Principles and related rules and regulations, if any: Please visit our website.

^{3.4.9} Other important information that can promote understanding of the Company's corporate governance operations: None.

3.4.10 Implementation Status of Internal Control System:

(1) Statement of Internal Control System



Date: February 23, 2023

Based on the results of the self-assessment of the Company's internal control system for the year ended December 31, 2012, the Company declares the following:

- I. The Company acknowledges that the Company's Board of Directors and managers are responsible for the implementation and maintenance of the internal control system, and that the Company has already established such a system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety) and reporting are reliable, timely, and transparent, as well as to ensure compliance with relevant regulations and laws.
- II. The internal control system has inherent constraints, and no matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the above-mentioned objectives. In addition, the effectiveness of the internal control system may change with the environment and different situations. Nevertheless, the Company's internal control system contains self-monitoring mechanisms and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Governing Regulations") that are related to the effectiveness of internal control systems. The criteria adopted by the Regulations identify 5 components of internal control based on the process of management control: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. monitoring operations. Each constituent element includes a number of categories. Please refer to "Governing Regulations" for details.
- IV. The Company has already adopted the aforementioned internal control system assessment items to evaluate the effectiveness of internal control system design and implementation.
- V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2022, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.
- VI. This statement of declaration shall be the primary content of the Company's Annual Report and prospectus, and shall be made available to the public. Falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement has been approved by the Board of Directors of the Company on February 23, 2023. Among the 7 directors present, 0 of them dissented. The rest all consented to the contents of this statement.

Global Lighting Technologies Inc.

Chairman: Mang-Shiang Lee

General Manager: Chung-Lin Tsai



- (2) Internal Auditor's Report of the Internal Control System (ICS): None.
- 3.4.11 If there has been any legal penalty against the Company or its internal personnel, or any disciplinary penalty by the Company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices: None.
- 3.4.12 Key resolutions adopted by the Shareholders' Meeting and the Board of Directors in the most recent fiscal year up to the publication date of this annual report:
- (1)Important resolutions of the Board of Directors:

Date of Board	Material Resolutions						
Meeting							
	Adopt the proposal of the Remuneration Committee on the distribution of rewards						
	for directors and employees in 2021						
	Adopt the 2021 Business Report and Financial Statements						
	Adopt the 2021 Statement on Internal Control.						
2022/2/24	Adopt the proposal on determining the date, venue and other relevant issues of the						
The 1st regular	2022 regular shareholders' meeting						
meeting	Adopt the proposal on the general election of directors of the Company						
	Adopt the proposal on the change of some positions of the Company						
	Adopt the proposal on the decapitalization by cancellation of treasury stock						
	Adopt the procedures for buying back treasury stock and the operational norms						
	incorporated into the internal control system						
	Adopt the proposal on the distribution of surplus for 2021						
	Review the shareholder proposals of 2022 regular shareholders' meeting						
	Adopt the proposal on the candidate list of directors (including independent						
	directors) nominated						
2022/4/11	Adopt the proposal on lifting the non-competition restrictions for newly elected						
The 2nd regular	directors and their representatives						
meeting	Adopt the proposal on the amendment to some provisions of the Company's Articles						
	of Association						
	Adopt the proposal on the amendments to the Rules of Procedure for Shareholders'						
	Meeting.						
	Adopt the proposal on the amendments to the Company's risk control limit for						
	loaning funds to others in 2022.						
2022/5/5	Adopt the proposal on the independence evaluation of CPAs						
The 3rd regular	Adopt the proposal on CPA's public fees for FY2022						
meeting	Adopt the proposal on the Company's financial statements for Q1 2022						
2022/5/26	Adopt the proposal on electing the Chairman						
The 4th regular meeting	Adopt the proposal on appointing members of the Nomination Committee						
	Adopt the proposal on the Company's financial statements for Q2 2022						
2022/8/15	Adopt the proposal on appointing members of the Company's 5th term of						
The 5th regular	Remuneration Committee						
meeting	Adopt the proposal on the capitalization of GLT-Optical						
	Adopt the proposal on bank financing endorsement guarantee						

Date of Board Meeting	Material Resolutions
<u>C</u>	Adopt the proposal on the Company's financial statements for Q3 2022
	Adopt the proposal on amending certain articles in the Corporate Social
	Responsibility Best Practice Principles and renaming it to the Corporate Sustainable
2022/10/28	Development Best Practice Principles.
The 6th regular	Adopt the proposal on the amendments to some provisions of the Operating
meeting	Procedures to Prevent Insider Trading of the Company
	Adopt the proposal on the amendments to the Rules of Procedure for Shareholders'
	Meeting.
	Adopt the 2023 operating plan.
	Adopt the 2023 audit plan.
	Adopt the proposal on formulating the risk control limit for the Company to loaning
2022/12/21	funds to others for the year 2023
The 7th regular	Adopt the Remuneration Committee's proposal on managerial officers' year-end
meeting	bonus distribution in 2022 and remuneration for the fifth term of independent
	directors
	Adopt the proposal on the amendment to some provisions of the Company's
	Accounting System
	Adopt the proposal of the Remuneration Committee on the distribution of rewards
	for directors and employees in 2022
	Adopt the Business Report and financial statements for FY 2022
	Adopt the proposal on the surplus distribution plan for FY2022
2023/2/23	Adopt the Statement on Internal Control System for FY2022
The 1st regular	Adopt the proposal on determining the date, venue and other relevant issues of the
meeting	2023 regular shareholders' meeting
	Adopt the proposal on the decapitalization for deficit coverage of GLT-Optical
	Adopt the proposal on the capitalization of GLT-Optical
	Adopt the proposal on investment in Vietnam through the important subsidiary GLT-
	Taiwan
	Review the shareholder proposals of 2022 regular shareholders' meeting
	Adopt the proposal on the independence and eligibility evaluation of CPAs
	Adopt the proposal on CPA's public fees for FY2023
	Adopt the proposal on the amendment to some provisions of the Company's Articles
2023/4/19	of Association
The 2nd regular	Adopt the proposal on amending the Procedures for the Acquisition or Disposal of
meeting	Assets of the Company.
	Adopt the proposal on amending the date, venue and other relevant issues of the
	2023 regular shareholders' meeting
	Adopt the proposal on formulating the Company's Pre-approval Policy for CPAs to
	Provide Non-Assurance Services

(2) Material resolutions of the shareholders' meeting:

Date of Meeting	Summary of important proposals	Status of Implementation
	Ratify the Business Report and Financial Statements for FY2021	The proposal was adopted by vote.
	Proposal on 2021 surplus distribution plan	The proposal was adopted by vote, and August 1, 2022 was determined as the distribution base date, and August 2 was determined as the distribution date. (Cash dividend of NT\$5 per share)
2022/5/26	Proposal on the amendments to some provisions of the Company's Articles of Association	The proposal was adopted by vote, and was subject to the amended measures.
	Proposal on the amendments to the Rules of Procedure for Shareholders' Meeting.	The proposal was adopted by vote, and was subject to the amended measures.
	Proposal on lifting the non-competition restrictions for newly elected directors and their representatives	The proposal was adopted by vote.

- 3.4.13 For the most recent year and up to the date of publication of the annual report, if a director or supervisor has different opinions on important resolutions passed by the Board of Directors and there are records or written statements, the main content is: none.
- 3.4.14 Summary of the resignation and dismissal of the Company's Chairman, General Manager, Accounting Manager, Finance Manager, Head of Internal Audit and Head of Research and Development in the most recent fiscal year up to the publication date of this annual report:

Title	Name	Date Appointed	Date Dismissed	Reasons for resignation or dismissal
CEO	Mang-Shiang Lee	2011/12/23	2022/2/24	Work adjustment or reassignment
СТО	Ching-Ling Wang	2011/6/14	2022/4/15	Retired

3.5 Information on CPA Professional Fees

								Unit: N	NT\$ thousan
Name of	Name of	Audit		N	on-audit fe	ees			ъ .
the CPA Firm	СРА	fees	System design	Business registration	Human resources	Others (Remarks)	Subtotal	Audit period	Remarks
Deloitte & Touche	Chao-Mei Chen Cheng- Chuan Yu	5,500	-	-	-	500	500	2022/01/01~ 2022/12/31	Transfer Pricing and Master File

- 3.5.1 If the non-audit fees paid to the CPAs, their accounting firm and affiliated companies of their accounting firm exceed one-fourth of the audit fees paid to them, the amount of audit and non-audit fees, and the content of non-audit services shall be disclosed: None.
- 3.5.2 Where the CPA firm was replaced, and the audit fees in the fiscal year, when the replacement was made, were less than that in the previous fiscal year before replacement, the amount of audit fees paid before/after replacement and reasons for paying this amount shall be disclosed: None.
- 3.5.3 Where accounting fee paid for the year was more than 10% of the previous year, the sum, proportion, and cause of the reduction shall be disclosed: None.

- 3.6 Information on replacement of CPAs: None.
- 3.7 The Company's directors, general manager, managerial officer in charge of finance or accounting who has served in a CPA's accounting firm or its affiliated companies in the most recent fiscal year: None
- 3.8 Equity Transfer or Changes in Equity Pledged by the Company's Directors, Managerial Officers or Shareholders with Shareholding Percentage Exceeding Ten (10) Percent in the Most Recent Fiscal Year up to the Publication Date of this Annual Report: None

Changes in shareholdings of Directors, Supervisors, managerial officers and substantial shareholders Unit: Shares

		20	22	2023 up	to April 1
TD: -1	N	Increase	Increase	Increase	Increase
Title	Name	(decrease) in	(decrease) in	(decrease) in	(decrease) in
		number of	number of		number of shares
		shares held	shares pledged	held	pledged
Chairman	Mang-Shiang Lee	37,000	-	-	-
Director	Wistron Corporation	-	-	-	-
Director	Representative: Jiann-Shiun Lin	-	-	-	-
Director	Tzu-Hsin Chang	-	-	-	-
Director	Ming-Chung Yi (Note 1)	-	-	-	-
Director	Ching-Ling Wang (Note 2)	-	-	-	-
Independent Director	Chia-Yu Chang (Note 1)	-	-	-	-
Independent Director	Fen-Ren Chien (Note 1)	-	-	-	-
Independent Director	Kun-Ming Tsai (Note 1)	-	-	-	-
Independent Director	Su-Lee Wen Tsai (Note 2)	-	-	-	-
Independent Director	Ho-Hsiang Hsu (Note 2)	-	-	-	-
Independent Director	Ching-Yi Chang (Note 2)	-	-	-	-
Major Shareholder	Mang-Shiang Lee	-	-	-	-
Major Shareholder	Wistron Corporation	-	-	-	-
General Manager	Chung-Lin Tsai	-	-	-	-
Chief Technology Officer	Ching-Ling Wang (Note 3)	-	-	-	-
Chief Plant Manager	Fleming Lin	-	-	-	-
Associate Manager	Amanda Huang	-	-	-	-
Associate Manager	Mei-Chen Chuang	-	-	-	-

Note 1:Resigned after general re-election on May 26, 2022, and the changes of equity were disclosed until the date of resignation.

Equity transferred to related party: None.

Equity pledged to related party: None.

Note 2: Took office after general re-election on May 26, 2022, and the changes in equity were disclosed from the date of inauguration.

Note 3: Retired and dismissed on April 15, 2022, and the change in equity were disclosed until the date of dismissal.

3.9 Relationship Information, if among the Company's Top 10 Shareholders any one is a Related Party, Spouse or a Relative within the Second Degree of Kinship

Unit: Share; %

	1		1		1			Omt.	Share, %
NAME	Personal sha	Personal shareholding		Shares Held by Spouse and Underage Children		Shares held in the name of other persons		Title or name and relationship of top 10 shareholders who are related parties or each other's spouses and relatives within the second degree of kinship	
	Number of shares	%	Number of shares	%	Number of shares	%	Name	Relationship	
Lumina Global Limited Medcom Asia Inc. Taiwan Branch (B.V.I.)	30,005,393	23.28%	-	-	-	-	-	-	-
Wistron Corporation Representative: Hsien-Ming Lin	20,914,430	16.23%	-	-	-	-	-	-	-
Mang-Shiang Lee	2,578,320	2.00%	600,000	0.47%	30,005,393	23.28%	-	-	-
Shinny Plastics Corp. Representative: Chin-Chung Li	1,680,000	1.30%	-	-	-	-	-	-	-
Pei-Chun Liao	1,642,335	1.27%	-	-	-	-	-	-	-
Yu-Chuan Yang	1,539,000	1.19%	-	-	-	-	-	-	-
Ming-Yuan Lin	1,219,000	0.95%	-	-	-	-	-	-	-
Yiyuan Investment Co., Ltd. Representative: Kuang-Yang Chien	1,192,000	0.93%	-	-	-	-	-	-	-
Shu-Li Chen	1,167,000	0.91%	-	-	-	-	-	-	-
Wei-Yun Hsu	1,167,000	0.91%	-	-	-	-	-	-	-

3.10 Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company:

Mar. 31, 2022 Units: share; %

Investee (Note 1)		ent by the npany	officers and indirectly comp	, managerial I directly or controlled panies	Combined investment		
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	
SSEL	6,561,000	100	-	-	6,561,000	100	
SSOL	9,950,167	100	-	-	9,950,167	100	
SSTL	10,750,000	100	-	-	10,750,000	100	
SSDL	35,144,141	100	-			100	
SGL	15,000,000	100	-			100	
GLT-Optical	25,089,400	100	-	-	25,089,400	100	
GLT-Taiwan	-	-	111,519,956	100	111,519,956	100	
GLT-Shanghai	-	-	Note 2	100	Note 2	100	
GLT-Suzhou Opto	-	-	Note 2	100	Note 2	100	
GLT- ZhongShan	-	-	Note 2	100	Note 2	100	
GLT-USA	-	-	100	100 100		100	
Hao-Yuan Technologies Inc.	-	-	1,400,000	100	1,400,000	100	
Asensetek Incorporation	-	-	728,500	27.15	728,500	27.15	

Note 1.Long-term investments made by the Company using the equity method Note 2.It is a limited liability company with no shares.

4. Funding Status

- 4.1 Capital and share
- 4.1.1 Sources and types of capital

On January 1, 2006, the registered capital was US \$45,000,000, including ordinary shares 350,000,000 (shares) and Class A preference share 100,000,000 (share) with a par value of US \$0.1 per share, and the paid-up capital was US \$23,482,235, including ordinary shares 141,349,600 (share) and Class A preference share 93,472,750 (share) with a par value of US \$0.1 per share. The conversion ratio of Class A preference share is 1:1.388. The following are the changes in the capital in the last five years.

		Author	ized Capital	Paid-in	Captial	Exchange		Remark				
Month/ Year	Issued Price	Shares (K)	Amount	Shares (K)	Amount	Ratio (Note 1)	Sources of Capital	Shares (K)	Amount			
95/12	US\$0.1			100	US\$ 10,000	-	Capitalization through the exercise of employee stock options	None	-			
95/12	US\$0.1			35,334	US\$ 3,533,424	1:1.101	Preferred shares B issued	None	-			
97/12	US\$0.1	Common Stock 499,316 Preferred shares A 100,000 Preferred shares B	Common Stock US\$49,931,641 Preferred shares A US\$10,000,000 Preferred shares B	200	US\$ 20,000	-	Capitalization through the exercise of employee stock options	None	-			
99/4	US\$0.1	39,427	US\$3,942,701	0.2	US\$20	-	Capitalization through the exercise of employee stock options	None	-			
99/8	US\$0.1						66,890	US\$ 6,688,963	-	New share issued through cash injection	None	-
99/12	NT\$10	158,615	NT\$ 1,586,148,480	Common Stock: 66,245 Preferred stock A: 29,693 Preferred stock B: 11,224	NT\$ 1,071,628,150	-	(Note 1)	None	-			
100/3	NT\$10	158,615	NT\$ 1,586,148,480	2,888	NT\$ 28,875,660	-	Capitalization through the exercise of employee stock options	None	-			
100/3	NT\$10	360,000	NT\$ 3,600,000,000	12,655	NT\$ 126,545,010	-	New share issued through Preferred shares A,B Conversion	None	-			
100/7	NT\$10	360,000	NT\$ 3,600,000,000	15,350	NT\$ 153,500,000	-	New share issued through cash injection	None	-			
100/8	NT\$10	360,000	NT\$ 3,600,000,000	374	NT\$ 3,738,870	-	Issuance of employee stock option	None	-			
100/12	NT\$10	360,000	NT\$ 3,600,000,000	304	NT\$ 3,043,220	-	Issuance of employee stock option	None	-			
103/9	NT\$10	360,000	NT\$ 3,600,000,000	19	NT\$ 190,000	-	Issuance of employee stock option	None	-			

35 37 5 3		Author	ized Capital	Paid-in (Captial	Exchange		Remark	
Month/ Year	Issued Price	Shares (K)	Amount	Shares (K)	Amount	Ratio (Note 1)	Sources of Capital	Shares (K)	Amount
103/10	NT\$10	360,000	NT\$ 3,600,000,000	23	NT\$ 230,000	-	Issuance of employee stock option	None	-
103/12	NT\$10	360,000	NT\$ 3,600,000,000	650	NT\$ 6,500,000	-	Issuance of employee stock option	None	-
104/2	NT\$10	360,000	NT\$ 3,600,000,000	150	NT\$ 1,500,000	-	Issuance of employee stock option	None	-
104/8	NT\$10	360,000	NT\$ 3,600,000,000	75	NT\$ 750,000	-	Issuance of employee stock option	None	-
104/10	NT\$10	360,000	NT\$ 3,600,000,000	16	NT\$ 160,000	-	Issuance of employee stock option	None	-
104/12	NT\$10	360,000	NT\$ 3,600,000,000	14	NT\$ 140,000	-	Issuance of employee stock option	None	-
105/4	NT\$10	360,000	NT\$ 3,600,000,000	1,257	NT\$ 12,570,000	-	Issuance of employee stock option	None	-
106/1	NT\$10	360,000	NT\$ 3,600,000,000	-10,000	NT\$ -100,000,000	-	Cancellation of treasury shares	None	-
111/2	NT\$10	360,000	NT\$ 3,600,000,000	-2,073	NT\$ -20,730,000	-	Cancellation of treasury shares	None	-

Note 1: According to the exchange rate of US dollar to New Taiwan dollar 1:31.7664 (rounded up to the NT \$1), ordinary shares 208,539,432 (shares), preferred shares A 93,472,750 (share) and preferred shares B 35,334,244 (share) with a par value of US \$0.1 per share were converted into ordinary shares 66,245,470 (shares), preferred shares A 29,692,928 (share) and preferred shares B 11,224,417 (share) with a par value of NT \$10 per share. And, the paid-up capital was NT \$1,071,628,150.

Note 2: On February 21, 2011, the special meeting of shareholders passed a resolution to convert preferred shares A and preferred shares B into ordinary share. preferred shares A will convert into ordinary shares at 1:1.388 per share. preferred stock B will convert into ordinary shares at 1:1.101 per share. After preferred stock A and preferred stock B converted into common shares, there will be ordinary shares of 12,654,501 (shares) in total.

April 1, 2023

Shares		Authorized Capital		Notes			
Category	Issued Shares	Issued Shares Non-issued Shares Total					
Common Shares	128,864,091	231,135,909	360,000,000	-			

4.1.2 Shareholding Structure:

April 1, 2023 Unit: shares

Category	Government Institution	Financial Institution	Other Institution	Individual	FINI	Mainland China Institutions and Individuals	Total
Number of Shareholders	0	9	39	10,511	81	0	11,640
Shareholding (shares)	0	267,448	25,217,730	69,039,368	34,339,545	0	128,864,091
Percentage	0.00%	0.21%	19.57%	53.57%	26.65%	0.00%	100.00%

4.1.3 The Distribution of Shareholdings:

(Par value of NT\$10 per share)

April 1, 2023

Category by shareholdings	No. of Shareholders	Number of Shares	Percentage (%)
1 ~ 999	813	148,984	0.12%
1,000 ~ 5,000	8,047	15,964,768	12.39%
5,001 ~ 10,000	935	7,375,677	5.72%
10,001 ~ 15,000	283	3,669,493	2.85%
15,001 ~ 20,000	161	2,958,883	2.30%
20,001 ~ 30,000	122	3,114,871	2.42%
30,001 ~ 40,000	68	2,400,757	1.86%
40,001 ~ 50,000	45	2,037,152	1.58%
50,001 ~ 100,000	89	6,420,138	4.98%
100,001 ~ 200,000	31	4,442,057	3.45%
200,001 ~ 400,000	18	4,613,748	3.58%
400,001 ~ 600,000	8	4,149,881	3.22%
600,001 ~ 800,000	3	2,034,000	1.58%
800,001 ~ 1,000,000	6	5,348,204	4.15%
1,000,001 and above	11	64,185,478	49.80%
Total	11,619	128,864,091	100.00%

4.1.4 The List of Major Shareholders (Top 10 shareholders who own the most shares)

April 1, 2023

		7 Ipin 1, 2023
Shares Major Shareholders	Number	Percentage (%)
Lumina Global Limited Company	30,005,393	23.28%
Wistron Corporation	20,914,430	16.23%
Mang-Shiang Lee	2,578,320	2.00%
Shinny Plastics Corp.	1,680,000	1.30%
Pei-jun Liao	1,642,335	1.27%
Yu-Quan Yang	1,539,000	1.19%
Ming-yuan Lin	1,219,000	0.95%
Yi Yuan Investment Co., Ltd.	1,192,000	0.93%
Shu-Li Chen	1,167,000	0.91%
Wei-Yun Hsu	1,167,000	0.91%

4.1.5 Market Price Per Share, Net Value, Earnings & Dividends For Latest Two Years:

Unit: NTD, thousand shares

					vib, mousund share
Period Item			2021	2022	2023 (As of March 31)
	Highest		115.00	85.50	61.00
Market price of Per Share	Lowest		72.00	47.10	53.50
Share	Average		92.05	62.31	57.48
Net Value	Before Distribution	on	58.20	64.03	Note 5
Per Share	After Distribution	l	53.28	Note 4	-
Earnings	Weighted Average Share Numbers		130,903	128,873	128,864
Per Share	Earnings Per Share		9.74	8.05	Note 5
	Cash Dividend		5.00	4.00	-
Dividend	C. 1 D 1 1	Retained Earning	None	None	-
Per Share	Stock Dividend	Capital Surplus	None	None	-
Accumulated U		paid Dividends	None	None	-
-	P/E Ratio (Note 1)		9.45	7.74	-
Return on	P/D Ratio (Note 2)		18.41	15.58	-
Investment Analysis	Cash Dividend Yield (Note 3)		5.43	6.42	-

Note 1: P/E Ratio = Average Market Price / Earnings per Share

Note 2: P/D Ratio = Average Market Price / Cash Dividends per Share

Note 3: Cash dividend Yield Rate= Cash Dividends per Share / Average Market Price

Note 4: The proposal for 2022 dividend distribution will be presented to shareholders at 2023 Annual General Shareholders' Meeting.

Note 5: As of the date of printing of this Annual Report, the financial data has not been audited or reviewed by CPAs.

4.1.6 Company dividend policy and execution status

(1) Dividend policy in articles of incorporation

The company should allocate 1%~15% as employee remuneration, and no more than 1.5% as director remuneration if it is profitable in the current year. If the company has an accumulated deficit, it shall pre-reserve the amount to cover the losses. The employee assigned for remuneration includes the employees of subsidiaries of the company whose shares are 100% owned by the company. Employee remuneration is paid by stock or cash. The remuneration resolution shall be passed by a majority of the present director with two-thirds of the directors present, and it shall be reported to the Shareholders' Meeting. A director who is the executive director of the company may receive both director remuneration and employee remuneration. The company could distribute the current year's profits under the profit distribution plan planned by the board of directors and approved by the general resolution of the shareholders' meeting. The board of directors should draw up the profit distribution plan in the following manners.

The company's current profit after tax should cover the accumulated losses, and allocate the appropriated retained earnings by the provisions of the public offering company law or the requirements of the competent authority. The company's distributable earnings for the current year is the profit after tax which deducts the mentioned amount of appropriated retained earnings. The board of directors may approve the whole or part of the distributable earnings of the current year to distribute to shareholders (including cash dividends or stock dividends). The dividends to be distributed in the current year shall not be less than 10% of the profit after tax of the current year, and the cash dividend shall not be less than 10% of the dividends to be distributed in the current year if the accumulated losses or appropriated retained earnings are not covered.

- (2) The status of Proposed Dividend Distribution for the current year: On February 23, 2023, the Board of Directors decided to distribute a cash dividend of NT \$4.0 per share, which will distribute upon approval of the annual regular meeting of shareholders in 2023.
- (3) The status of the actual distribution of dividends for the previous year: The annual regular meeting of shareholders on May 26, 2022, decided to distribute cash dividends of NT \$5.0 per share. They all have been issued in August of the same year.
- 4.1.7 The impact of the proposed issuance of bonus shares on the company's business performance and earnings per share: None
- 4.1.8 Remuneration for employees and directors:
 - (1) Percentage or range of remuneration for employees and directors in the articles of incorporation:

The company should allocate 1%~15% as employee remuneration, and no more than 1.5% as director remuneration if it is profitable in the current year. If the company has an accumulated deficit, it shall pre-reserve the amount to cover the losses. The employee assigned for remuneration includes the employees of subsidiaries of the company whose shares are 100% owned by the company. Employee remuneration is paid by stock or cash. The remuneration resolution shall be passed by a majority of the present director with two-thirds of the directors present, and it shall be reported to the Shareholders' Meeting. A director who is the executive director of the company may receive both director remuneration and employee remuneration.

- (2) The accounting treatment of the basis for estimating the amount of the current employee, director, and supervisor remuneration, the basis for calculating the number of shares for employee compensation distributed by stocks, and the actual allocated amount differing from the estimated amount:
 - A. In 2022, the estimated employee and director remuneration are US \$1,858,344.99 and US \$557,503.50. They accounted for 5% and 1.5% of the profit before tax, excluding staff and director remuneration respectively. The company could distribute the dividends according to the dividend distribution plan drawn and approved by the board of directors and the shareholder's meeting.
 - B. After the end of the year, The change in the amount approved by the board of directors shall be recognized in the gains and losses of the next year.

- (3) The status of the distribution of remuneration approved by the board of directors
 - A. On February 23, 2023, the Board of Directors decided to distribute the remuneration of US \$1,858,344.99 to the employees. The company's remuneration for directors and employees has entered into the consolidated financial statements in 2022, so it has no impact on earnings per share.
 - B. The proportion of the sum of the employee remuneration based on stock distribution and the profit after tax in the current individual financial statement and the employee remuneration: The Company has not issued stock dividends, so it is not applicable.
- (4) The status of the actual distribution of employee and director remuneration in the previous year: In 2021, the actual employee and director remuneration were US\$2,435,657.94 and US\$730,697.38 which is consistent with no difference between the remuneration recognized in the accounts for employee and director remuneration.

4.1.9 Status of stock buyback by the Company:

February 25, 2022

	1 Columy 23, 2022
Treasury stocks: Batch Order	1 st of 2021
Drum aga of the manymahaga	To protect the Company's credit and
Purpose of the repurchase	shareholders' interests
Period for the repurchase	12/13/2021~1/4/2022
Price range of the shares to be repurchased	NT \$81.43
Type and number of the shares already repurchased	6,000,000 shares of common stock
Monetary amount of the shares already repurchased	NT \$168,794,587
Ratio of the number of shares that were repurchased to the	34.55%
planned number of shares to be repurchased (%)	34.53%
Shares canceled or transferred	2,073,000 shares (Note)
Accumulated number of company shares held	0 share
Percentage of total company shares held (%)	0 %

Note: The board of directors held on 2/24/2022 passed the resolution to carry out a capital reduction, and the record date of capital reduction was on February 25, 2022.

- 4.2 Status of corporate bonds (including overseas corporate bonds): None
- 4.3 Status of preferred stock: None
- 4.4 Status of overseas depositary receipts: None
- 4.5 Status of employee stock option certificates:
- 4.5.1 Status of the employee stock option certificates that have not fallen due and their effect on shareholders' equity must be disclosed as of the date on which the annual report was printed: None
- 4.5.2 Status of employee stock option certificates acquired by management team and top 10 employees, acquisition and subscription as of the date on which the annual report was printed:None
- 4.5.3 Status of private placement of employee stock option during the 3 most recent fiscal years up to the annual report publication date: None.
- 4.6 Status of employee restricted stock: None
- 4.7 Status of new share issuance in connection with mergers and acquisitions: None
- 4.8 Implementation status of financing plans: None

5. Operational Highlights

- 5.1 Business activities
- 5.1.1 Business scope
 - (1) Main businesses
 - A. Research and development, manufacturing, and import and export of optoelectronic product components for the application of light guide plates and control components.
 - B. Manufacturing and import and export trading business of electronic components.
 - C. Mold manufacturing, wholesale, and import and export.
 - D. Manufacturing, wholesale, import and export of electronic components.
 - (2) Business proportion of main products

Unit: NT\$ thousands; %

Product	2021		2022	
Product	Amount	Ratio	Amount	Ratio
Application of light guide plate	9,731,647	89.42%	8,667,080	89.13%
Plastic components	1,127,926	10.36%	1,031,726	10.61%
Others	23,498	0.22%	24,770	0.26%
Total	10,883,071	100%	9,723,576	100%

(3) Current products (services) of the Company

Commodity item	Application item
Application of light	Lighting, illuminated keyboards, LCD displays, notebook computers, smart phones, automotive products, industrial instruments, and other light guide plate applications.
Piagne components	Automotive navigation devices, wearable products, and other consumer electronic products made of plastic materials.

(4) New products (services) planned for development

- A. Based on years of accumulation in optical research, the Company will continue to apply it in the development of products such as displays, wearables, and automotive products, in order to achieve high optical efficiency and meet the requirements of power and energy conservation.
- B. In addition, the Company will continuously develop thin and large-sized TV light guide plates to meet consumers' demands for larger, more energy-efficient, and thinner products.
- C. In respect of Mini LED and Micro LED display technology, the Company will develop light guiding products that can control the emitting light type.

5.1.2 Industry overview

- (1) Current State and Development of the Industry
 - A. Light guide plate application

Light guide is an important component of backlight module, which can guide the direction of light, increase the panel brightness and regulate the brightness uniformity. As the design

pattern and backlight module industry technology continue to advance, the application scope of light guide plate is not only for notebook computers, LCD monitors, LCD TVs, automotive products, home multi-functional media displays, such as smart refrigerators, home appliances, security, surveillance, and other medical or industrial equipment products, but also for light guide designs other than electronic product displays, such as light-emitting keyboards, e-books, and automotive ambient lighting. Not only can we improve the convenience of using the products, but also emphasize the improvement of the aesthetics and quality of the products. In addition, with the development of market demand towards high-end, differentiated products, the scope of application of light guide panels has continued to expand in recent years.

B. Industry risk

Compared with the development of various display technologies in recent years, Mini LED has added new growth momentum to the market, and its backlight technology is becoming more mature to compensate for the cost, process complexity and color degradation of large-size OLED panels, and is favored by customers. According to TrendForce, the total shipment of Mini LED backlight display technology in 2022 was about 16.8 million units, with an annual growth rate of 74%. Notwithstanding the conservative overall demand, shipping and logistics costs are gradually returning to normal plus inventory has fallen to a healthy level, making panel price stop declining and rebounded, which is favorable to the promotion of large-size products.

C. Market demand

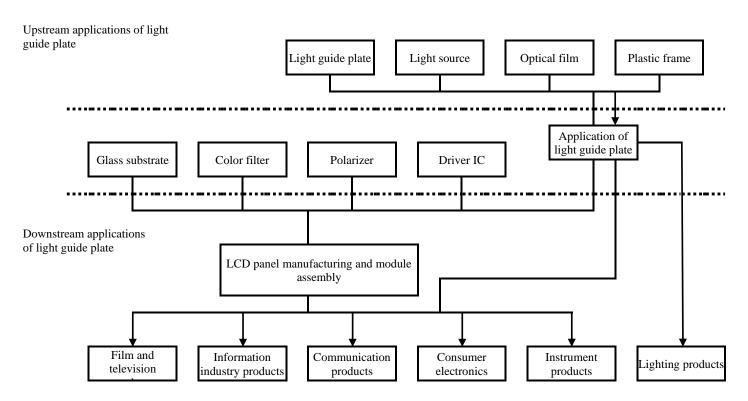
Although countries have opened their borders one after another, The decline of home economy dividends brought by the COVID-19 epidemic and the impact of war and high inflation made customers are still continuously affecting the international market demand, stifling global trade growth and making customers more conservative about the future of markets. The global economy faces far greater uncertainty than in the past, and the magnitude of volatility could increase.

D. Plastic components

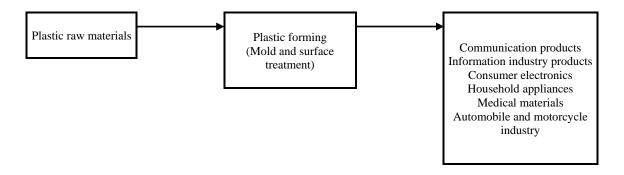
The Company's plastic parts and components for consumer electronics are used in a wide range of applications, so their development is closely related to the needs of various industries, including the automotive industry, telecommunications, information industry, consumer electronics, and even optical components. Therefore, the demand for our products is varied and the target market is large. With rich production experience, good mold development and quality control capability, the Company has become a long-term partner of international manufacturers.

(2) Upstream, midstream and downstream correlation

Light guide panel is mainly used to provide uniform and sufficient brightness to the panel, and is also widely used in various information, communication, consumer products and LCD panels. The upstream materials of traditional backlight modules include light guides, light sources, optical films and plastic frames, etc., while the downstream materials can be assembled by LCD panel modules and then applied to panels of consumer electronics. However, the main business of the Company is light guide board application products. In addition to being used as key components of LCD screen panel, light guide board can be directly used in a number of electronic products, such as luminous keyboard, electronic books, car and wearable products, etc. The application range is more diversified. The related industry chain is shown below:



Plastic component applications



(3) Development trends and competition for the Company's products

A. Product Development

With the implementation of green manufacturing technology, product development not only needs to build awareness of environmental protection, but also needs to meet the needs of energy saving, light weight, diversification, product structure strengthening, and complex functions. In the future, consumer electronics products will continue to develop in the direction of being lighter, thinner, shorter and smaller, and the industry must continue to move toward ultra-precise and complex mold making, and introduce new production concepts such as new molds, manufacturing processes and recycling. By virtue of its existing design and technical capabilities, the Company has actively invested in the development of various products to adopt to the market diversification development trend, and has been trusted by various well-known manufacturers in the industry. It has been committed to product quality and process technology improvement for years, and has won the trust of a large number of customers. In the future, the Company will keep being customer-oriented to continue to improve production efficiency, enhance the Company's business growth momentum.

B. Competition Status

In response to the trend of declining panel prices and to ensure the stability of product quality, major international panel makers are gradually reducing the number of suppliers and increasing the supply capacity of their backlight module subsidiaries, resulting in considerable challenges for professional backlight module manufacturers.

5.1.3 Core Technologies and R&D Overview

(1) Core technologies

Our core technology of optical design is to guide and control the direction and distribution of light travel through the microlens structure on the optical element to achieve high brightness and uniformity of line or surface light source. In order to realize precise microlens light control, we extend precision machining and precision molding technology, and have accumulated a number of self-developed patents, not only maintaining the leading position in technology of light guide plate (film) used in liquid crystal display, but also having accumulated years of optical design ability, and widely extended more luminous products, including keyboard, backlight, front light, e-books, consumer electronics, electronic sports, lighting, vehicle applications, light guide and light control technology into a variety of fields of products, so as to enhance the added value of terminal products. We believe in providing our customers with not only an optical component, but also a Total Solution for optical system control, enabling them to create the best design solutions for product differentiation.

The Company uses an advanced hot extrusion process to produce light guide plates. From the input plastic particles, the optical microlens structure is extruded onto the plate or film during the hot extrusion process to produce light guiding and light controlling functions. By virtue of the characteristics of the hot extrusion process, the shaped structure is made to greatly improve the efficiency of light coupling at the light source, without the need for additional media to control the angle of refraction of light, so as to achieve high energy efficiency.

(2) Precision processing and molding technology

We are constantly investing in precision machining and plastic molding, and our products range from 0.1" thin light emitters to 82" thin TVs, each with hundreds of thousands of microlenses, each serving as an important structure for light control. We require each microlens structure to be precisely and perfectly machined and molded. To this end, we combine our years of development experience in this field to precisely control the angle and dimensional changes of microstructures, even asymmetrical microlens engraving on free-form surfaces or microlens engraving on large-size rollers, all of which are the demonstration of our technology of light control through precision machining and molding.

The Company pioneered a consistent production method, from pellet to pallet, to create a fully automated production line to minimize production costs and provide customers with the most competitive and high quality products.

(3) Process development

By far, 7 large-size extrusion lines have been put into production at GLT-Zhongshan in Guangdong, and 10 lines will be put into production at GLT-Optical in Tongluo, Miaoli in 2020, with a total monthly production capacity of 1.7 million pieces (based on 55"). In 2023, we will continue to focus on product development, intelligent manufacturing and process automation. In recent years, we have strengthened the process capability of light guide plate, and can apply double-sided lamination in the production process of light guide plate according to customer's demand, with the consistent production process of light guide plates of composite materials, reducing the extra processes of film tearing, cleaning and alignment lamination processes on customer production lines, so as to achieve zero assembly tolerance and optical consistency, greatly enhancing light guide plate value and yield rate.

Our manufacturing team not only continues to improve quality and manufacturing efficiency, but also actively invests in Industry 4.0. Through consistent automatic production, online AOI inspection, big data collection and analysis, we can master the production status and product traceability, and further connect with customers for information management, so as to effectively manage the full process from order placement, production management, product information to after-sales quality tracking, etc., making us a long-term partner worth of cooperation and trust by customers.

(4) Product applications

Different from general backlight module manufacturers or light guide plate manufacturers who only focus on fixed types of products, our company is committed to the development of light control components which are highly efficient, uniform or in need of designating a specified direction of illumination, regardless of size and thickness, from backlight to front light, from internal light guide to exterior display, automotive or home appliance products, all within our service and product development scope. In addition, the Company adheres to the concept of modular design. From the selection of light source, quantity, placement and angle design, to the shape structure, curvature, thickness, and various optical film matching and control of the periphery, all based on the concept of modular design, so as to achieve the best optical performance, not only

to improve the convenience of the products, but also to emphasize the aesthetic and qualitative improvement of products with light, and to provide customers with highly efficient, high-quality, and energy-saving products.

Large displays	LCD-TV, public displays, LCD monitors, backlight modules for desktop screens, and rear display cover luminous trim
	. ·
	Backlight or frontlight modules for cell phones, navigation equipment, industrial
sized displays	instruments, notebook computers and other communication products
	Light-emitting keyboards, automotive dashboards, automotive decorative lighting,
Other applications	smart home appliances, control panels, LED lighting, backlighting or front lighting
	for wearable products, 3D light guide plates, thinner and more flexible light guide
	films, light guide rings, light-emitting connectors

(5) R&D prospect

The Company had launched the R&D center in GLT-Optical (in Zhongli) in 2020. For the perspective of the future, we still insist on and continue to invest a lot of R&D momentum in optical talent training, precision processing and molding technology, and process development, etc., and strive to expand the application of optical products, towards large size, thin, high efficiency and energy saving, curved luminescence, wearable products, outdoor display, etc. And will continue to pay attention to the development trend of related industry technology and devote to forward-looking technology research, in order to maintain the Company's leading position in technology and become a world-class first-class optical component application company.

(6) Technology or product developed successfully in the last five years

Year	R&D Results
2018	 In the field of large-size optical design, developed a new type of composite scattering dot technique to enhance the gradation of luminescent quality modification and significantly improve the phenomenon of uneven luminescence. Developed new Serration structure to improve the spread angle of LED light source, and manufacture and produce the necessary molds by ourselves. Developed the light guide film with double Taper structure with film extrusion line to improve the light utilization rate by 30%
2019	 Developed large-size extruded light guide plate to greatly improve the luminous efficiency of light guide plate, and effectively reduce the influence of LED assembly tolerance on optics. Developed high contrast light guide plate to control the light path and improve the contrast of light and dark state of the terminal product by the small light guide structure design. Developed composite optical microstructure light guide plate. By controlling the light through various light guide microstructures with special angles, enhanced the brightness and visual effect of the light guide plate, so that the display can achieve efficient and uniform optical performance as a whole.
2020	 Developed 3D light guide plate, which can be mounted on products with ergonomic design. High-brightness/darkness contrast front panel for reflective reading displays. Ring-shaped lighting structure with timing lighting control to create a uniform breathing flicker or running light visual effect.

Year	R&D Results
	4. Ultra-thin uniform light guide film, with thickness reduced to 50um, which can be bent and fitted to the luminous area at will.
	5. Introduced rol-to-roll bonding process to provide composite products with light guide film and both upper and lower layers of optical adhesive.
	 Developed a new generation micro-nano mould processing equipment with dot angle controllable. Developed high replication mold to improve the yield and stability of the process. Atomization design, which can be used for light guide plate for exterior components. Silicone light guide plate with elastic and compressive properties.
2021	5. Thin touch module that combines multi-layer luminescence and touch functions, suitable for NB.6. Optical structural plate with a light splitting effect, which can replace the diffusion plate as a key component of mini displays.
	7. Dots with directional selectivity of light sources, which can be used for lighting display of multiple light sources in different directions with timing.
	 Light guide plate paired with optical diaphragm to present an infinite visual extension effect of the light guide module. Light guide plate paired with protective cover to meet different totem display applications when
2022	not lit and when lit.
2022	3. Stacked multi-layer ultra-thin light guide plates, applied to components A and C of notebook computers.
	4. Integrated light guide plate with touch pad to increase the display function of the touch area.
	5. Extremely small and angle precisely controllable light guide dots (diameter<20um, depth<5um).6. Applied Mini LED to IT products to achieve extremely thin and power-saving backlight modules.

(7) Long- and short-term development strategy and plan

A. Short-term development strategy and plan

- Continue R&D on basis of the existing manufacturing process technology to improve the process automation of thin and large-size light guide plates, reduce costs, and create a win-win situation with customers.
- Straight-down light guide plate for TV and lighting, which can reduce the number of LED and improve the utilization rate of light.
- Improved the shipping ratio of plastic components and light guide plates for existing customers to increase market share.
- Used the competitive advantage of the Company's self-developed light guide plate to develop new customers.
- Extended product range of light guide plate to expand the target market.
- Expanded new factories and added product lines to meet customer needs.
- Implement quality management and improve product yield.
- Follow the trend of industrial development, fully utilize global operating bases to achieve professional division of labor in production and sales, integrating company resources to improve resilience in response to changes.

B. Long-term development strategy and plan

- Develop diversified and other high-niche products to meet customer needs and expand the depth and breadth of the product lines.
- Continuously research and develop key technologies and patents to maintain a leading position in the industry.
- Following the industry trend to extend the research and development field to related optical research.
- The Company is positioned as a professional light guide plate and mold design and manufacturer, with customers mainly from globally renowned leading manufacturers. It provides complete solutions to create maximum value for customers, grow together with them, and maintain long-term cooperative relationships with them.
- Use the competitive advantages of multinational enterprise to focus on the application of light guide plate and core business areas of plastic components, and expand the economic scale and scope.
- Cope with customers' product needs and utilize the advantage of global production bases to provide high-quality products and services nearby.
- Participate in customer product design, improve production efficiency and reduce costs through process transformation.
- Actively cultivate international talents, train the management capabilities of international enterprises, and move towards the goal of becoming an international level enterprise.
- Increase diversified options for financing channel, provide stable fund allocation and utilization for enterprise operations, in order to strengthen financial soundness and company physique.
- Continuously implement corporate governance, strengthen risk control, and pursue a stable and sustainable business philosophy to maximize shareholder wealth.

(8) Research and development personnel and their academic experiences

Unit: Person

Year Personnel	2020	2021	2022
Master and above	25	23	23
Bachelor	29	27	26
Junior college and below	51	45	46
Total	105	95	95

(9) R&D expenses invested in the last 5 years

Unit: NT\$ thousands

Unit: NT\$ thousands

Item	2018	2019	2020	2021	2022
R&D expense	191,832	168,623	186,930	200,822	252,526
Net revenue	5,424,061	5,286,248	11,205,768	10,883,071	9,723,576
Proportion to net revenue	3.54%	3.19%	1.67%	1.85%	2.60%

- 5.2 Overview of market, production and sales
- 5.2.1 Market analysis
 - (1) Sales (Service) Region

			<u> </u>	Unit: N 1 \$ thousands
C.1. D.	2021		2022	
Sales Region	Amount	%	Amount	%
Asia (Outside Taiwan)	9,082,931	83.46%	8,061,509	82.91%
R.O.C.	1,320,661	12.13%	1,208,559	12.43%
USA	410,136	3.77%	400,030	4.11%
Others	69,343	0.64%	53,478	0.55%
Total	10,883,071	100.00%	9,723,576	100.00%

(2) Market Share

The Company focuses on high-end and differentiated products in the application of light guide plates and control components, and cannot provide more reference market share statistics.

(3) Favorable and unfavorable factors affecting the Company's development prospects and corresponding countermeasures

A. Favorable factors

The Company's main products are large-size, desktop LCDs, laptops LCDs, e-books and light-emitting keyboards, and light guide plate applications for automotive and wearable products. There are also various light-emitting components, e-sports peripherals, buttons, warning light and other niche products. Due to the diverse end-use of light guide plates, all the products that need to guide light are potential markets.

With the innovative light guiding technology development, simultaneously driving the demand for consumer electronics products, the demand for light-emitting components will also increase. Therefore, the demand for large-size and thin light guide plates is expected to grow in the future.

The Company has been dedicated to the research and development of light guide component technology for many years and has many years of production experience and optical design background. With the world-class prospective key light guide plate process technology, it will effectively improve the Company's product quality, raise the production efficiency and reduce the cost.

B. Unfavorable factors and countermeasures

In recent years, mainland China's panel industry has continued to expand, resulting in

fierce price competition. In addition, innovative technologies such as OLED and Mini/Micro LED have gradually matured and entered the actual mass production stage, which has affected the growth space of light guide panels.

Countermeasures:

- a. Continuously invest in research and development resources to enhance the added value of products. With the core technology of optical design and simulation and a large database, improve the precision of optical design. In order to strengthen the Company's operational growth momentum in a market trend of diversified and fast-changing products, small and varied quantities and high customization.
- b.b. Continuously improve the production process, use intelligent production lines, shorten the production process and reduce the production cost.
- c.Expand the customer base to brand manufacturers and directly participate in the product design process. Permeate from key components to whole modules, replace outsourced optical diaphragms with homemade optical diaphragms to improve gross profit margin and process control.

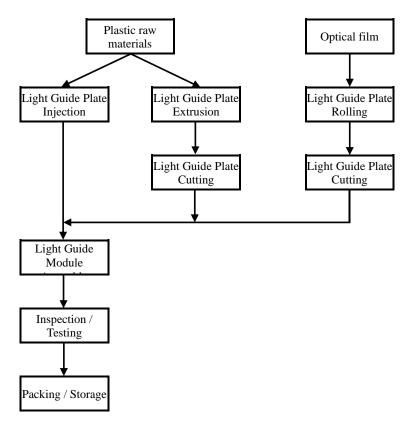
5.2.2 Major applications and production process of primary products

(1) Major applications of primary products

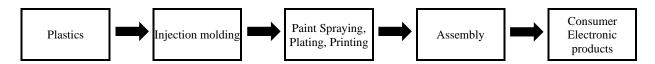
Commodity item	Important Use		
	Lighting, illuminated keyboards, LCD displays, notebook computers, smart phones, automotive products, industrial instruments, and other light guide plate applications.		
I Plactic components	Automotive navigation devices, wearable products, and other consumer electronic products made of plastic materials.		

(2) Production process of primary products

A. Application of light guide plate



B. Plastic injection



5.2.3 Supply status of main materials

Main raw materials	Supplier	State of Supply				
Optical film	Suzhou Hutong, Suzhou Jiashi, Feng-Yang TRIUMPH LEAD(SINGAPORE)	Good				
PCBA · FPCA	Flexium, Avary	Good				
LED	LITE-ON, Everlight, Nichia	Good				
Plastic components	Shinny Plastics Corp., Sunrain Technology, Silitech Technology	Good				
Plastic pellets						

5.2.4 List of major suppliers/customers

(1) Information of major suppliers in the last 2 years

Unit: NT\$ thousands

			2021		2022			
Item	Name	Amount	Percentage to the total annual net purchases (%)	Relationship with the Company	Name	Amount	Percentage to the total annual net purchases (%)	Relationship with the Company
1	A	1,738,009	23.11	None	D	1,188,085	18.61	None
2	В	1,041,476	13.85	None	E	956,033	14.98	None
3	С	837,373	11.14	None	A	758,043	11.88	None
	Others	3,903,270	51.90	-	Others	3,480,273	54.53	-
	Net purchase	7,520,128	100	-	Net purchase	6,382,434	100	-

Reason for increase or decrease:

Note 1:List the name of suppliers who account for more than 10% of the total purchases of goods and their amount and proportion of purchase of goods in the most recent two years. However, if the name of suppliers or counterparties who are individuals or non-related parties cannot be revealed due to contractual agreements, their code shall be indicated.

Note 2: The reason for the increase or decrease is due to market changes and changes in customer product demand.

(2) Information of major customers for the last 2 years

Unit: NT\$ thousands; %

			2021		2022			
Item	Name	Amount	Percentage to the total annual net sales (%)	Relationship with the Company	Name	Amount	Percentage to the total annual net sales (%)	Relationship with the Company
1	A	4,236,249	38.93	None	A	3,702,455	38.08	None
2	В	3,242,252	29.79	None	В	2,733,681	28.11	None
3	С	1,079,024	9.91	None	С	993,744	10.22	None
	Others	2,325,546	21.37	-	Others	2,293,696	23.59	-
	Net sales	10,883,071	100	-	Net sales	9,723,576	100	-

Reason for increase or decrease:

Note 1:List the names of suppliers with more than 10% of the total sales amount in the most recent 2 fiscal years, as well as the purchase amount and proportion. However, if it is not allowed to disclose the names of suppliers or trading partners as individuals and non related parties due to contractual agreements, it can be coded as such.

Note 2: The reason for the increase or decrease is due to market changes and changes in customer product demand.

(3) Production volume and value in the most recent two fiscal years

Unit: NT\$ thousands; thousands of pieces

Year/Production Volume and Value		2021			2022		
Primary Products	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value	
Plastic components	34,000	13,394	995,612	33,000	12,202	917,083	
Application of light guide plate	106,000	41,934	7,733,915	110,000	40,639	6,983,325	
Total	140,000	55,328	8,729,527	143,000	52,841	7,900,408	

(4) Sales volume and value in the most recent two fiscal years

Unit: NT\$ thousands; thousands of pieces

Year/Sales	2021				2022			
Volume and Value	Domestic Sales (Note 1)		Export Sales		Domestic Sales (Note 1)		Export Sales	
Primary Products	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Plastic components	-	-	13,394	1,127,926	-	-	12,202	1,031,726
Application of light guide plate	-	1	47,769	9,731,647	-	-	40,639	8,667,080
Others	-	-	Note 2	23,498	-	-	Note 2	24,770
Total	-	-	61,163	10,883,071	-	-	52,841	9,723,576

Note 1: The Company sells all products abroad, so there is no domestic sales volume or value.

Note 2:It is commission income and royalty income, so there is no sales volume.

5.3 Number of Employees in the Most Recent Two Fiscal Years up to the Publication Date of This Annual Report

Unit: Person; %

	Year		2022	2023 Up to March 31
	Executives of manager officer or above	51	46	49
Number of employees	General employees	1,400	1,406	1,286
	Total	1,451	1,458	1,335
Average Age		33.51	33.71	36.17
Average year	s of services	4.46	4.84	6.84
	PhD	0.04	0.04	0.06
Educational background	Master	2.78	1.76	3.01
distribution %	Bachelor	24.54	25.05	27.60
70	Senior high school or below	72.64	73.15	69.33

- 5.4 Environmental protection expenditures
- 5.4.1 In accordance with the provisions of the regulations, those who shall apply for a stationary pollution source installation permit or pollution discharge permit, or those who shall pay pollution protection fees, or those who shall establish a dedicated unit for environmental protection, the application, payment or establishment of the following circumstances shall be explained.:
 - (1) GLT-Suzhou Opto has set up a dedicated personnel for environmental protection work, and has applied for and processed the following approvals according to the regulations:
 - A. Environmental impact report form of construction project.
 - B. Suzhou National High-tech Industrial Development Zone Environmental Protection Bureau, S.X.H.X. (2006) No. 494, the approval of the Environmental Impact Report Form for the construction project of GLT-Suzhou Opto relocation project.
 - C. Suzhou National High-tech Industrial Development Zone Environmental Protection Bureau, S.X.H.Y. (2009) No. 119, on the GLT-Suzhou Opto relocation project construction project completion environmental protection acceptance application form audit opinion.
 - D. Annual inspection and report on noise, waste water and emission of the Company by relevant units, which are in compliance with the national and local emission standards.
 - (2) GLT-Shanghai has set up a dedicated environmental protection personnel and entrusted Jinshan Drainage Engineering Co., to handle the Company's wastewater. In addition, we have signed a contract with a quality manufacturer to dispose of GLT-Shanghai's domestic refuse and hazardous waste in accordance with the law, and have applied for and received the following approvals as required by law:
 - A. Environmental impact report form of construction project.
 - B. Environmental Protection Bureau of Jinshan District, J.H.X. [2016] No. 209, on the approval of the Environmental Impact Report Form for GLT-Shanghai new supporting mold production and processing project.
 - C. Environmental Protection Bureau of Jinshan District, J.H.Y. [2017] No. 24, on the approval of the completion of environmental protection inspections for GLT-Shanghai's new supporting mold production and processing project.
 - D. Environmental Protection Bureau of Jinshan District, J.H.X. [2019] No. 169, on the approval of the Environmental Impact Statement for GLT-Shanghai's 10 million units per year light guide plate production project.
 - E. Annual inspection and report on noise, waste water, rainwater and emission of the Company by relevant units, which are in compliance with the national and local emission standards.
 - (3) GLT-Zhongshan has set up a dedicated personnel responsible for environmental protection work, and has applied for and processed the following approvals in accordance with the law:
 - A. Zhongshan Environmental Protection Bureau, Z. (J.) H.J.B. [2011] No. 0089, regarding the approval of the Environmental Impact Report Form for the new construction project of GLT-Zhongshan.
 - B. Zhongshan Environmental Protection Bureau, Z. (J.) H.J.B. [2013] No.0031, regarding the approval of the Environmental Impact Report Form for the GLT-Zhongshan expansion project.
 - C. Zhongshan Environmental Protection Bureau, Z. (J.) H.J.B. [2014] No. 0051, regarding the

- approval of the Environmental Impact Report Form for the GLT-Zhongshan techtransformation project.
- D. Zhongshan Environmental Protection Bureau, Z. (J.) H.Y.B. [2015] No. 4, letter of opinion on the environmental protection inspection and acceptance of the completion of the GLT-Zhongshan new expansion of tech-transformation project.
- E. GLT-Zhongshan has set up a dedicated environmental personnel and entrusted Wistron Zhongshan Limited to handle the Company's wastewater. In addition, annual inspection and report on noise, waste water and emission of the Company by relevant units, which are in compliance with the national and local emission standards.
- (4) GLT-Taiwan has applied for and processed the following approvals in accordance with the laws and regulations:

A. Air pollution prevention:

- a. GLT-Taiwan added the 4th extrusion line in June, 2013, therefore, we applied an alteration of the stationary pollution source operating permit to the Taoyuan County Government. On January 14, 2014, we received a new stationary pollution source operating permit (C.Z.Z.H. No. H5338-01) from the Taoyuan County Government. The plant is not required to have dedicated personnel for air pollution control.
- b. GLT-Taiwan newly added the 3rd active carbon adsorption tower in December 2014, therefore, we applied an alteration of the stationary pollution source operating permit to the Taoyuan County Government. On January 6, 2015, we received a new stationary pollution source operating permit (C.Z.Z.H. No. H5338-02) from the Taoyuan County Government. The permit is effective until December 5, 2017. The plant is not required to have dedicated personnel for air pollution control.
- c. In March 2017, because the production line is using new raw materials, it is required by the law to apply an alteration of the stationary pollution source operating permit contents to the local environmental protection authorities. The permit is effective from August 3, 2017 to August 2, 2022.
- d. Due to the decrease of the Company's extrusion material amount. In March 2019, the Company applied for de-classification from monitoring and inspection of the stationary pollution source to the competent authorities. The environmental protection authorities have agreed, but the Company still generate fixed air pollution source, so it still needs to report on a quarterly basis.
- e. It needs to pay the air pollution control fee on time every quarter.

B. Industrial waste disposal:

a. All the industrial waste generated by the Company is disposed of in accordance with the provisions of the industrial waste disposal plan and a private waste clearance and disposal organization with a permit issued by the county or city government is engaged. The disposal methods and procedures are subject to the *Waste Disposal Act*. The plant is not a responsible enterprise required to set up a waste disposal technician as designated and officially announced by the central competent authority.

b. In order to comply with the final treatment procedure, the Company applied to the Environmental Protection Bureau on June 16, 2022 for a change of the waste disposal plan.

C. Disposal of industrial waste water:

- a. GLT-Taiwan has an industrial wastewater discharge of less than 50 CMD. On April 28, 2014, it received a water pollution control permit from the Taoyuan County Government, which is effective till April 23, 2024. Water quality tests are carried out every six months by an environmental testing agency approved by the Environmental Protection Authority. The results are all in line with the Chinese effluent standard. As it is subject to a simple discharge permit, there is no need to set up specialist waste water treatment staff.
- b. Due to the addition of algae killing agents and regular discharge of the circulating water in the cooling water tower of the factory, an application for a change in the discharge permit was made. The permit was extended in November 2018, with a limited period ending on April 23, 2024.
- c. Water pollution prevention and control fees are paid every 6 months.
- (5) GLT-Optical applied for the following approvals in accordance with the regulations and local authorities

A. Air pollution prevention:

- a. In 2019, GLT-Optical expanded from 5 production lines to 7, increased use of raw materials, 1 set of polishing machine, 1 cartridge filter dust collector. In March 2019, it applied to the Hsinchu Science Park Bureau for an application for change of fixed pollution source operation permit. On October 2, 2019, the permit was obtained and is effective until October 1, 2024.
- b. In 2020, it expanded to 10 production lines, increased use of raw materials, 2 sets of polishing machine, 1 cartridge filter dust collector. In March 2021, it applied to the Hsinchu Science Park Bureau for an application for change of fixed pollution source operation permit. On September 1, 2021, the permit was obtained and is effective until October 1, 2024.
- c. The air pollution prevention fee was paid quarterly as scheduled and the control equipment was regularly maintained on a quarterly basis, with total annual expenses of approximately NT\$939,000.

B. Industrial waste disposal:

- a. No hazardous business waste was generated at the plant, and all general business waste was disposed of by qualified waste disposal vendors in accordance with the industrial waste disposal plan.
- b. In 2019, GLT-Optical expanded from 5 production lines to 7, increased use of raw materials and production of waste. In March 2019, it applied to the Hsinchu Science Park Bureau for an application for change of industrial waste clearance plan. On April 2, 2019, a letter of consent was obtained, and the plan is effective until April 1, 2024.
- c. In 2020, it expanded from 7 production lines to 10, increased use of raw materials and output of waste. In March 2021, it applied to the Hsinchu Science Park Bureau for an application for change of industrial waste clearing plan. On July 1, 2021, a letter of consent

was obtained, and is effective until April 1, 2024.

d. In order to effectively promote the recycling of waste and increase the recycling and treatment code of waste wood pallet and plastic dust collecting ash, in December 2022, it submitted an application to Hsinchu Science Park Bureau for change of the industrial waste clearing plan. On February 15, 2023, it obtained the letter of consent for the change. The plan is valid until April 1, 2024.

C. Disposal of industrial waste water:

- a. Due to the expiration of the 5-year validity period of the Waste Pollution Control Permit, GLT-Optical applied for extension with Hsinchu Science Park Bureau and obtained the extension approval on December 29, 2020. The permit is valid until December 28, 2025.
- b. In 2020, it expanded to 10 production lines, increased use of raw materials. In March 2021, it applied to the Hsinchu Science Park Bureau for an application for change of the Waste Pollution Prevention and Control License. On July 14, 2021, the permit was obtained and is effective until December 28, 2025.
- c. The industrial wastewater treatment fee was paid monthly, and there were no excess charge of treatment fee due to excessive discharge; the water quality of the discharged wastewater was tested every six months, and the test results are in compliance with the discharge water standard of Taiwan.
- d. In FY2022, an electromagnetic flow meter was added to the outfall to replace the ultrasonic flow meter with lower accuracy, and the investment was about NT\$100,000.

(6) The following is the status of the Company's pollution discharge permit:

Certificate Name	Corporate Name:	Incorporation Status	Approval No.
	GLT-Suzhou Opto	Environmental protection officer has been set up	S.X.P. (2007) X.Z. No. 91
Discharge Permit	GLT-Shanghai	Environmental protection officer has been set up	H.S.W.P.Z.Z. No. J18-08602017
Water Pollution Control Permit		No dedicated	T.X.H.P.X.Z. No. H3425-02
Waste Clearing Plan	GLT-Taiwan	environmental personnel	F.H.S.Z. No. H10212250003
Fixed Pollution Source Operation Permit		required	Repealed (no operation permit required)

Certificate Name	Corporate Name:	Incorporation Status	Approval No.
Water Pollution Control Permit Waste Clearing Plan Fixed Pollution Source	GLT-Optical	No dedicated environmental personnel	Z.K.H.S.X.Z. No. KS063-04 Z.H.Z. No. 1120005113
Operation Permit		required	Z.K.H.K.C.Z.Z. No. KS283-04
Pollutant Discharge	GLT-Suzhou Opto	Environmental protection officer has been set up	No. 913205057624497287001X
Permit	GLT-Zhongshan	Environmental protection officer has been set up	No. 4420202017000212

5.4.2 List the Company's investments in the main equipment for preventing and controlling environmental pollution, their uses, and potential benefits:

Details of pollution prevention and control equipment:

As of December 31, 2022 Unit: NT\$ thousands

Equipment name	Number	Date of acquisition	Cost	Use and expected potential benefits
Waste gas treatment equipment (GLT-Suzhou Opto)	1 set	2016/12/23	3,719	In line with environmental standards for exhaust emissions
Oil-water separator (GLT-Suzhou Opto)	1 set	2017/2/15	17	In line with the comprehensive standards for sewage discharge
Canteen oil fume purifier (GLT-Suzhou Opto)	1 set	2017/11/5	104	In line with environmental standards for exhaust emissions
Laser machine exhaust gas collection and treatment (GLT-Suzhou Opto)	1 set	109/5/28	219	In line with fixed pollution source emission standards
Activated carbon adsorption tower (GLT-Taiwan)	3 sets	2013/1/31	2,073	In line with fixed pollution source emission standards
Waste gas washing tower (GLT-Taiwan)	2 sets	2013/8/31	3,734	In line with fixed pollution source emission standards
Dehydrator (GLT-Taiwan)	1 set	2019/7/31	58	In line with fixed pollution source emission standards

Equipment name	Number	Date of acquisition	Cost	Use and expected potential benefits
Wastewater treatment equipment (GLT-Taiwan)	1 set	2014/1/31	744	In line with discharge water standards
	1 set	2012/1/1	1,019	
Waste gas treatment	1 set	2012/12/1	1,631	In line with environmental standards
equipment	1 set	2014/3/1	1,376	for exhaust emissions
(GLT-Zhongshan)	1 set	2019/12/1	946	
Canteen oil fume purifier (GLT-Shanghai)	1 set	2016/4/1	115	In line with environmental standards for exhaust emissions
VOC exhaust gas treatment equipment (GLT-Optical)	1 set	2016/5/1	12,900	In line with fixed pollution source emission standards
(*****)	1 set	2016/5/1	4,000	
Central dust collection	1 set	2017/11/1	2,500	In line with fixed pollution source
equipment	1 set	107/12/31	420	emission standards
(GLT-Optical)	1 set	109/12/14	241	
Wastewater treatment equipment (GLT-Optical)	1 set	2016/6/21	1,500	In line with discharge water standards
Central dust collection equipment (GLT-Optical)	Half set	2019/3/21	1,600	In line with fixed pollution source emission standards
Waste gas treatment equipment (GLT-Shanghai)	2 sets	2016/8/1	925	In line with environmental standards for exhaust emissions
Transformation of rainwater and sewage diversion in drainage pipes and detection wells (GLT-Shanghai)	1 set	2017/12/1	684	In line with wastewater discharge standards
Install anti return valve/well at the main outlet of rainwater/sewage (GLT-Suzhou Opto)	4 sets	2021/6/18	165	Preventing rainwater and sewage backflow outside the factory area

- 5.4.3 Describe the progress of the Company in improving environmental pollution in the past two years and as of the date of publication of the annual report. If there have been pollution disputes, the handling process should also be explained:
 - (1) Examples of improving environmental pollution:
 - A. GLT-Taiwan has added dehydration equipment to comply with the requirements of the *Air Pollution Prevention and Control Act*, in order to prevent excessive dirt in the air washing tower, which can cause clogging of the filter screen and generate wastewater at the motor overflow port.

- B. GLT-Optical added a magazine type dust collector to meet the requirements of the *Air Pollution Prevention and Control Act*, with a total of 5 units currently installed.
- C. For GLT-Suzhou Opto, due to the renovation of the municipal road surface outside the factory, the rainwater and sewage pipelines are higher than those inside the factory. In rainy days and when the sewage volume is large, the rainwater and sewage outside the factory will flow back into the factory, affecting the Company's requirements for environmental control. To solve this problem, in May 2021, valve wells were added at two rainwater and two sewage main outlets in the factory, and one anti backflow valve was installed to prevent backflow.
- (2) The Company has not caused any disputes due to environmental pollution in the last two years up to the date of publication of the annual report.
- 5.4.4 State the total amount of losses (including compensation) and penalties suffered by the Company due to environmental pollution in the past two years and up to the date of annual report publication, and disclose its future response measures (including improvement measures) and possible expenses (including the estimated amount of losses, penalties, and compensation that may occur if no response measures are taken. If it cannot be reasonably estimated, explain the fact that it cannot be reasonably estimated): None.
- 5.4.5 Explain the current pollution situation and its impact on the Company's earnings, competitive position, and capital expenditure, as well as the expected significant environmental capital expenditure for the next two years:
 - (1) GLT-Taiwan is expected to invest NT\$500,000 in the purchase of a new frequency conversion energy-saving air compressor to replace old air compressors in order to save energy and reduce carbon emissions.
 - (2) In order to improve exhaust emissions and indoor air, GLT Zhongsha invested RMB 58,000 in 2022 to replace filter activated carbon and exhaust gas and air quality testing.
 - (3) In order to successfully apply for the new version of drainage permit, GLT-Suzhou Opto has arranged for the inspection of the internal pipeline network of rainwater and sewage, which is over 3000 meters long, and the repair of damaged, deformed, and blocked pipe sections to meet the requirements of government departments. The estimated total amount of environmental protection expenditure is RMB 570,000.
 - (4) Expected new projects for GLT-Optical in 2023:
 - A. The reclaimed water pipeline connection project, NT\$1.2 million. (Introduce treated reclaimed water provided by the park for irrigation and household toilet cleaning, in order to achieve the goal of water conservation.
 - B. A solar energy construction plan, with an estimated investment of NT\$90 million and a construction capacity of approximately 2000kWp.
 - (5) In order to achieve the goal of energy conservation and carbon reduction and improve the production environment of the workshop, GLT-Shanghai plans to carry out a renovation of the air conditioning pipeline in the dust-free workshop and replace the ice water machine with a new energy-saving grade model in the year 2023, with an estimated investment of RMB 3.5 million.
 - (6) In order to achieve carbon neutrality, GLT-Shanghai invested RMB 152,500 in 2022 to purchase green certificates for green energy power generation to offset energy consumption carbon emissions

generated by electricity consumption. In 2023, it is expected to invest RMB 280,000 to purchase green certificates to offset energy consumption and carbon emissions.

5.5 Labor relations

5.5.1 List the Company's employee welfare measures, continuing education, training, retirement system and implementation status, as well as agreements between the employer and employees and measures for protecting employee rights and interests:

(1) Employee welfare measures

The Company's employee welfare measures include free meals, labor insurance, health insurance, group insurance, and a new system of employee retirement, employee dividends and stock options, bonus distribution, and annual health checks. In addition, there are also three gift certificates issued by the Welfare Commission, wedding and funeral subsidies, employee travel activities, birthday gift certificates, cakes, and other benefits. The office environment is beautiful, and a coffee lounge is set up for employees to rest. In addition, the Company provides employees with opportunities to participate in various education, training, and further training to enhance their abilities and work efficiency.

In order to take care of employees and increase employee benefits, so that employees can grow with the Company more confidently and create a win-win situation, a monthly childcare allowance of NT\$5,000 is available.

In addition, the Company has a gymnasium equipped with treadmill, weightlifting machine, massage chair, basketball machine, billiard table, etc., for employees to exercise and relax. We hold monthly birthday parties and quarterly departmental gatherings. During specific holidays such as Mother's Day and Father's Day, the Company provides sweet gifts to each employee. At Christmas, we hold Christmas dinner party, providing a variety of meals and drinks for employees to enjoy. During the party, we also arrange lottery activities to share the fun with our employees.

The Company values the physical and mental health of its employees. In addition to establishing various sports clubs (such as cycling clubs and basketball clubs), we also organize outdoor activities such as mountain climbing and cycling to encourage employees to go out and strengthen their physical fitness. And, we continue to sponsor the Cycling Angel Shenzhou Dream Fulfillment Public Welfare Campaign, which helps children at home care centers through sports and public welfare. We encourage these young people to work hard to learn, exercise their physical and mental health, and strengthen their originally insufficient self-confidence. Starting from Taiwan, we traveled about 1000 kilometers through Hangzhou, Shanghai, Suzhou, Yangzhou, and other places, and the Company's employees have actively participated in this public welfare activity.

(2) Continued education and training

In order to improve the quality and work skills of our employees, and enhance their work efficiency and quality, we implement general training or professional skills training for new employees according to the training plan, so as to cultivate excellent talents, thereby improving the overall operational performance of the Company and achieving the goal of sustainable operation.

(3) Retirement system and implementation status

All subsidiaries of the Company within the territory of Taiwan have established employee retirement plans in accordance with the *Labor Standards Act*. Those who choose the old system set aside retirement reserves at a rate of 2% of their paid salaries, which are managed by the Labor Retirement Reserve Supervision Committee's dedicated account. Starting from July 1, 2005, in response to the implementation of the Labor Pension Regulations of the Republic of China (hereinafter referred to as the "New System"), if employees who had previously applied the old system have chosen to apply the new system, their service years after the adoption of the new system, or if new employees joining in after the adoption of the new system, their service years shall be subject to the new system, and the payment of their pension will be made by the Company at a monthly rate of 6% of their monthly salary, which will be deposited in the personal account of the labor pension. If it is a subsidiary outside the Republic of China, it shall be subject to relevant local laws and regulations.

In addition, for employees of enterprises within the territory of mainland China, the Company shall pay pension insurance for employees in accordance with local laws where the enterprise is located. According to the local social insurance operation mode, pension insurance is included in social insurance (including medical, maternity, pension, work-related injury and unemployment). The Company shall be deemed to have begun to perform the pension insurance related obligations after going through the social insurance registration procedures for employees. The ratio and standard of pension insurance payment are as shown in the table below:

A. GLT-Shanghai:

Proportion of payment	Pension insurance	Work-related injury	Unemployme nt	Basic medical	Maternity benefits			
Corporate	16%	0.448%	0.5%	9.5%	1%			
Individual 8% - 0.5% 2% -								
Insurance base	Insurance base: The minimum payment base for 2022 is NT\$6,520.							

B. GLT-Suzhou Opto:

Proportion of payment	Pension insurance	Work-related injury	Unemployme nt	Basic medical	Maternity benefits		
Corporate	16%	0.35%	0.5%	7%	0.8%		
Individual	Individual 8% - 0.5% 2% -						
Insurance bases	: The payment b	pase for Decemb	per 2022 is NT\$	64,250.			

C. GLT-Zhongshan:

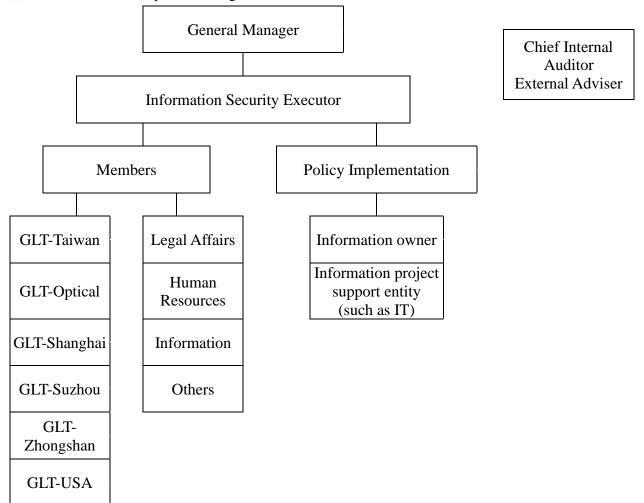
GET Zhongshun ·						
Proportion of	Pension	Work-related	Unemployme	Basic medical	Maternity	
payment	insurance	injury	nt	Dasic medical	benefits	
Corporate	14%	0.32%	0.32%	3.1% (Merge with maternity benefits)	0 %	
Individual	8%	-	0.2%	0.7%	-	
Insurance base: salary payable.						

(4) Agreements between the Company and employees and measures for protecting employees' rights and interests

The Company respects the opinions of our colleagues, and employees can express their opinions through meetings, emails, or appeal phone calls. The communication channels between labor and management are smooth, and labor relations are harmonious. Therefore, there have been no major labor disputes so far.

- (5) Protection measures for work environment and employees' personal safety
 - A. Subject to ISO45001 Occupational Health and Safety Management System.
 - B. Occupational safety and health education and training are regularly held to improve the safety awareness and ability of employees.
 - C. The Company regularly implements general and special health examinations for employees every year.
 - D. It implements work environment measurement every 6 months to reduce the probability of occupational disasters.
 - E. It implements access control to ensure safety protection in the factory area.
- 5.5.2 List the losses suffered due to labor disputes in the most recent fiscal year up to the publication date of this annual report, and disclose the estimated amount for current and possible future occurrences, and response measures. If the amount cannot be reasonably estimated, clarify the reason: None

- 5.6 Information Security Management
- 5.6.1 Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.:
 - (1) Information security risk management framework



- (2) The Company's information security policy references and uses the following framework and standards to formulate strategies
 - A. ISO 27001:2013 Information Security Management System Standard.
 - B. The NIST Cybersecurity Framework, the National Cybersecurity Framework for the United States.
 - C. CIS CSC Information Security Control Guidelines (20 security control measures).
 - D. Please refer to the Company's website for "information security policies".
- (3) Specific management plan and resources invested in the information security management:

Information Security Control Measures	Completed projects in 2022			
Hardware asset counting	◆ Introduction of the asset management and equipment control software into the three overseas factories			
Software asset counting	◆ The asset management software was introduced into the three overseas factories			
Continuous vulnerability management	 ◆ Upgrade of the entire group's domain directory server ◆ Continuous replacement of software, hardware and operating systems 			

	that have stopped supporting (about 120 PCs in total this year)				
Privileged account control	 ◆ Establishment of service-oriented account based on roles and usage functions ◆ Recycling of some privileged accounts, and provision of secondary authentication control for accounts that cannot be recycled. 				
Secure configuration	◆ Regular configuration backups for device profile (rebuilding WSUS -				
management	Microsoft services update host)				
Maintenance, supervision, and	◆ Collaboration with internal and external auditors to inspect and analyze				
analysis	existing equipment related logs				
Email and browser access protection	 ◆ Management accounts subject to secondary authentication ◆ Email server credentials and patch updates 1. Credentials updated once a year 2. A major update to patch ◆ Progressive use of new browsers and resolution of incompatible system issues. 				
Prevention of malware	◆ Import endpoint protection software into three overseas factories				
Restriction and control of network communication ports	◆ Update firewall software of GLT-Optical (one major update)				
Data recovery	 ◆ Purchase of additional backup software and hardware ◆ Backup recovery exercise 1. Data restoration: once a month 2. Whole machine (leased hardware) restoration: once a year ◆ Import of backup platform to three overseas factories 				
Network device security configuration	◆ Regular review and update of network device configuration (configuration files are backed up monthly)				
Perimeter defense	◆ Firewall policy review and adjustment (VPN import)				
Data protection	 ◆ Benefit review of current data encryption and decryption software ◆ Import of mobile storage control software 				
Access control	 ◆ Optimization of information request list management system ◆ Upgrade of enterprise process management platform 				
Wireless network access	◆ Reclassification of production wireless networks by usage function				
Account monitoring and control	 ◆ Use secondary authentication when using VPN service at home ◆ Domain upgrade and client account settlement 				
Security awareness and training program	◆ Implement information security education & training (twice)				
Application software security	◆ Import of application control platform to three overseas factories				
Response and management of emergencies	◆ Maintenance and tracking of incident reports (4) and service outage records (17)				
Penetration test and red team attack and defense exercise	◆ Discuss with external vendors to learn about how to conduct penetration testing, the possible impact and cost.				

5.6.2 State the losses suffered in the most recent year and up to the date of publication of the annual report as a result of major security incidents, the possible impact and the countermeasures. If it is not reasonably possible to estimate, state the fact that it is not reasonably possible to estimate: None.

5.7 Important Contracts

Nature of	Principal	Valid period	Main Contents	Restrictive
Intellectual Property Licnese Agreement	The Company Company A	From December 14, 2009 to the expiration date of 50-year period after the publication of the licensed intellectual property rights and the loss of confidentiality of the trade secrets	Company A authorizes the Company and its affiliates to use the intellectual property rights acquired in connection with the IP transaction without compensation within the range of US\$1 billion in annual net sales of the relevant products (according to the consolidated financial statements of the foreign issuer and its subsidiaries, the net operating revenues for 2010 are approximately NT\$3,083 million, equivalent to approximately US\$150 million, which is still far below the limit of free use). The Company shall receive a percentage of the license fee for any amount in excess of the specified amount until the expiration date of the last intellectual property right that expires during the term of all licensed intellectual property rights.	None
Referral Agreement	The Company Company A	From December 14, 2009 to December 13, 2015 (To be automatically renewed annually if Company A does not give 60 days' notice of termination prior to the expiration date)	The Company agrees to use Company A as its non- exclusive representative to negotiate partnership opportunities with potential customers for specific products, and the Company may choose whether or not to accept such partnership opportunities, and if accepted, the Company shall pay Company A a commission of a certain percentage of the turnover from such customers.	None

Nature of Contract	Principal	Valid period	Main Contents	Restrictive Terms
Copyright Co- Ownership Agreement	The Company Company A	From December 14, 2009 to December 13, 2229 (to be automatically renewed if either party does not give 90 days' notice of termination prior to expiration)	Company A transfers half of the copyright of Optical Pattern Software in the intellectual property rights transferred by the Company pursuant to the Asset Purchase and Sales Agreement between both parties, and both parties may use the copyright separately.	None
Master Development and Supply Agreement	GLT-USA Company D	February 4, 2010 Until terminated by one of the parties by written notice	Company D appoints GLT-USA and its affiliates to develop and supply Company D's products. In accordance with this contract, Company D shall own the intellectual property rights developed by GLT-USA and its affiliates due to performance of this contract or work order or in connection with Company D's goods. In addition, GLT-USA and its affiliates shall license their intellectual property rights to Company D free of charge in perpetuity so that Company D can use, sell, and modify Company D's goods by itself or procure others to do so.	None
Land use	GLT-Shanghai The contract was signed on July 1, 1999, with a term of use until August 2, Housing and Land The contract was signed on July 1, 1999, with a term of use until August 2, 2049		GLT-Shanghai is granted the land use right on the east side of Tingwei Road, Shanyang Town, Jinshan District, with an area of 37,574 square meters with a consideration of USD 533,550.8 and a term of 50 years.	
Land use	GLT-Suzhou Management Committee of Xushuguan Sub-zone of Suzhou High-tech Zone	From May 26, 2006 to May 25, 2056	The Management Committee of Xushuguan Sub-zone of Suzhou High-tech Zone agrees to grant the land use right of a 40 mu industrial land located in Yangshan Industrial Park of Xushuguan Economic	None

Nature of Contract	Principal	Valid period	Main Contents	Restrictive Terms
			Development Zone of Suzhou to GLT-Suzhou at a price of RMB 68,000 per mu and for a term of 50 years.	
Land use	GLT-Suzhou Opto Suzhou Municipal Administration of Land and Resources Suzhou High-tech Zone (Huqiu) Branch	From December 12, 2006 to December 11, 2056	GLT-Suzhou Opto is granted the right to use an industrial land with a land area of 27,716.1 sq.m. located to the north of Songshan Road and east of Shinny Plastics Corp., for a term of 50 years and a total land consideration of RMB5,266,059.	None
Purchase Contract	GLT-Taiwan Nichia Taiwan Corporation	From January 1, 2011 to date (no termination date has been set in the contract, so it is recorded as "To Date")	GLT-Taiwan shall provide a certificate of deposit or cashier's check to Nichia Taiwan Corporation as security for the purchase of LEDs.	None
Land use	GLT-Optical Hsinchu Science Park Bureau	From February 1, 2014 to December 31, 2033	GLT-Optical leases the land use right at Gong 7th, Jiuhu Section, Tongluo Township, Miaoli County for the construction of plant, warehouse, and other business workplaces.	
Insurance contract	The Company Shin Kong Insurance	From December 1, 2022 to December 1, 2023	Liability insurance for directors and managerial officers	None
Land use	GLT-Taiwan Dong Van Iii-Hanam Industrial Zone Infrastructure Development & Investment Joint Stock Company	From March 20, 2023 to September 20, 2069	GLT-Optical leases the land use right at Dong Van Iv Ip, Ha Nam, Vitnam for the construction of plant, warehouse, and other business workplaces.	None

6. Financial Overview

6.1 Condensed Financial Information in the Most Recent Five Fiscal Years

6.1.1 Condensed Balance Sheet

Unit: NT\$ thousands

(Note 1) 2022 7,849,158 2,975,406 - 1,013,880
7,849,158 2,975,406
2,975,406
-
- 1 013 880
1 013 880
1,015,000
11,838,444
2,668,750
Note 2
917,929
3,586,679
Note 2
8,251,765
1,288,641
2,348,423
4,658,407
Note 2
(43,706)
-
-
8,251,765
Note 2

Note1: The financial data above have been audited and certified by CPAs.

Note2: It shall be finalized based on the resolution of the General Shareholders' Meeting.

6.1.2 Consolidated Condensed Statement of Comprehensive income

 $Unit: NT\$\ thousands$

Year	Financial Information in the Most Recent Five Fiscal Years (Note 1)					
Item	2018	2019	2020	2021	2022	
Operating revenue	5,424,061	5,286,248	11,205,768	10,883,071	9,723,576	
Gross profit	737,144	917,745	2,372,943	2,153,544	1,823,168	
Operating profit (loss)	141,803	330,896	1,575,457	1,328,511	971,600	
Non-operating income and expenses	67,076	27,579	(88,150)	15,862	200,869	
Net profit before tax from continuing operations	208,879	358,475	1,487,307	1,344,373	1,172,469	
Loss form suspension	-	-	-	-	-	
Net profit (loss) for the period	169,018	344,564	1,355,051	1,275,133	1,037,282	
Other comprehensive income (loss) for the period(net of tax)	24,691	(130,192)	(92,708)	(83,900)	312,116	
Total comprehensive income for the period	193,709	214,372	1,262,343	1,191,233	1,349,398	
Net profit attributable to owners of the parent company	169,018	344,564	1,355,051	1,275,133	1,037,282	
Net profit attributable to non- controlling interests	-	-	-	-	-	
Total consolidated profit and loss attributable to owners of the parent company	193,709	214,372	1,262,343	1,191,233	1,349,398	
Total consolidated profit and loss attributable to non-controlling interests	-	-	-	-	-	
Earnings per share	1.29	2.63	10.35	9.74	8.05	

Note1: The financial data above have been audited and certified by CPAs.

6.1.3 Names of CPAs for the last five years and their audit opinions

Year	Certifying CPA	Name of Accounting Firm	Audit Opinion	
2018	Jui-Yen Tseng & Jui-Wen, Lu	Diwan & Company	Unmodified Opinion	
2019	Jui-Yen Tseng & Jui-Wen, Lu	Diwan & Company	Unmodified Opinion	
2020	Chao-Mei Chen & Cheng-Chuan Yu	Deloitte & Touche	Unmodified Opinion	
2021	Chao-Mei Chen & Cheng-Chuan Yu	Deloitte & Touche	Unmodified Opinion	
2022	Chao-Mei Chen & Cheng-Chuan Yu	Deloitte & Touche	Unmodified Opinion	

6.2 Financial Analysis for the Most Recent Five Years

6.2.1 Financial Analysis

Year (Note 1) Analysis Item		Financial Analysis for the Last Five Years				
		2018	2019	2020	2021	2022
Financial	Debt ratio	29.43	37.14	41.76	37.96	30.30
structure (%)	Long-term funds to property, plant and equipment ratio	205.18	215.02	236.28	267.19	308.18
	Current ratio (%)	272.24	223.71	187.23	220.68	294.11
Solvency	Quick ratio (%)	233.94	189.14	162.66	181.47	243.51
	Interest coverage ratio	13.72	14.34	64.51	73.67	64.75
	Receivables turnover rate (times)	3.14	3.23	4.96	4.06	4.42
	Average collection days	116	113	73.58	89.90	82.58
	Inventory turnover rate (times)	7.39	6.71	9.98	7.17	5.81
Operation	Payables turnover rate (times)	4.70	3.96	4.54	3.56	4.06
performance	Average inventory turnover days	49	54	37	51	63
	Property, plant and equipment turnover rate (times)	1.64	1.57	3.28	3.27	3.12
	Total asset turnover (times)	0.62	0.57	1.01	0.88	0.80
	Return on assets (%)	2.09	3.96	12.33	10.43	8.72
	Return on equity (%)	2.78	5.61	20.19	17.16	13.07
Profitability	Pre-tax income to paid-in capital ratio (%)	15.95	27.38	113.59	102.67	90.98
	Net margin (%)	3.12	6.52	12.09	11.72	10.67
	Earnings per share (NT\$)	1.29	2.63	10.35	9.74	8.05
	Cash flow ratio (%)	39.68	34.56	46.55	33.14	56.61
Cash flow	Cash flow adequacy ratio (%)	102.01	88.85	100.11	89.31	114.67
	Cash reinvestment ratio (%)	6.48	7.45	16.59	4.05	6.78
Leverage	Operating leverage	28.38	10.94	5.93	6.73	8.00
	Financial leverage	1.13	1.09	1.02	1.01	1.02

Please detail the reasons for changes in the financial ratios in the last two years. (If the change fails to exceed 20%, the analysis in this respect can be exempted)

- 1. Debt ratio, current ratio, and quick ratio were mainly due to the decrease in bank loans and accounts payable.
- 2. Average inventory turnover days: this was mainly due to the decrease in the cost of goods sold and the increase in average inventory balance.
- 3. The decrease in return on equity was mainly due to the decrease in net profit after tax.
- 4. Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio were mainly due to the increase in net cash inflow from operating activities.

Note 1: The financial data above have been audited and certified by CPAs.

Note 2: The calculation formulas of the financial analysis are described below.

- 1. Financial structure
 - (1) Deb ratio = total liabilities / total assets.
 - (2) Ratio of long-term capital to property, plant, and equipment = (total equities + non-current liabilities) / (total net value of property, plant, and equipment).
- 2. Solvency
 - (1) Current ratio = current assets / current liabilities

- (2) Quick ratio = (current asset inventories prepaid expenses) / current liabilities.
- (3) Interest coverage ratio = net profit before tax and interest / interest expenses.

3. Operation performance

- (1) Receivables turnover rate (including bills receivable resulting from accounts receivable and business operations) = Net sales / average accounts receivable in various periods (including bills receivable resulting from accounts receivable and business operations).
- (2) Average collection days = 365 / receivables turnover ratio.
- (3) Inventory turnover rate = cost of sales / average inventory.
- (4) Payables turnover rate (including bills payable resulting from accounts payable and business operations) = cost of sales / average accounts payable in various periods (including bills payable resulting from accounts payable and business operations).
- (5) Average inventory turnover days = 365 / inventory turnover rate.
- (6) Property, plant, and equipment turnover rate = net sales / average net property, plant, and equipment.
- (7) Total asset turnover rate = net sales / average total assets.

4. Profitability

- (1) Return on assets (ROA) = [gain (loss) after tax + interest expenses x (1 interest rates)] / average total asset value.
- (2) Return on equity = net income after tax / average equity.
- (3) Net margin = net income / operating revenue.
- (4) Earnings per share = (profit or loss attributable to owners of the parent company dividends on preferred stock) / weighted average number of shares issued.

5. Cash flow

- (1) Cash flow ratio = net operating cash flow / current liabilities.
- (2) Cash flow adequacy ratio = net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend) for the most recent five years.
- (3) Cash flow reinvestment ratio = (net cash flow from operating activities cash dividend) / (gross fixed assets value + long-term investment + other assets + working capital).

6. Degree of leverage:

- (1) Operating leverage (DOL) = (net operating income variable operating costs and expenses) / operation income.
- (2) Financial leverage = operating income / (operating income interest expenses).

Global Lighting Technologies Inc. Audit Committee's Review Report

To the 2023 general shareholders' meeting of Global Lighting Technologies Inc.:

The board of directors of the Company has prepared the 2022 Consolidated Financial Statements of the Company, which have been audited by CPAs Chen, Chao-mei and Yu, Cheng-chuan of Deloitte Taiwan, and issued an unqualified audit report. The Audit Committee is responsible for supervising the Group's accounting and financial reporting process.

The CPAs have communicated with the Audit Committee on the following matters:

- 1. The scope and period of the audit planned by the CPAs and the significant findings of the audit (including significant deficiencies in internal control identified during the audit).
- 2. The CPAs have provided the Audit Committee with a statement that the CPAs' affiliated firm is subject to independence and has followed the code of professional ethics regarding independence, and have communicated all relationships and other matters (including related protective measures) that could be considered to affect the CPAs' independence.
- 3. The CPAs shall determine, from among the matters to be communicated to the governing bodies, the critical audit issues to be addressed in the audit of the Company's annual consolidated financial statements, of which revenue recognition is determined by the CPAs determine to be a critical audit issue to be communicated in the audit report.

After examining the aforementioned Financial Statements together with the Business Report and the profit distribution for the year 2022, the Audit Committee found no discrepancies and issued a report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Global Lighting Technologies Inc.

Convenor of the Audit Committee: SU-LEE WEN TSAI

February 24, 2023

- 6.4 Independent Auditor's Report and Financial Statements for 2022, please refer to page 119 to 190.
- 6.5 Parent Company Only Financial Statements for 2022: None.
- 6.6 If the Company or its Affiliates Have Experienced Financial Difficulties in the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report, the Annual Report Shall Explain How Said Difficulties Will Affect the Company's Financial Situation: None

7. Review and Analysis of Financial Position and Financial Performance and Risk Matters

7.1 Financial position analysis

Unit: NT\$ thousands

Year	2022	2021	Difference			
Item	2022	2021	Amount	%		
Current assets	7,849,158	8,003,313	(154,155)	(1.93)		
Property, plant and equipment	2,975,406	3,239,528	(264,122)	(8.15)		
Other assets	1,013,880	1,039,391	(25,511)	(2.45)		
Total assets	11,838,444	12,282,232	(443,788)	(3.61)		
Current liabilities	2,668,750	3,626,683	(957,933)	(26.41)		
Non-current liabilities	917,929	1,035,188	(117,259)	(11.33)		
Total liabilities	3,586,679	4,661,871	(1,075,192)	(23.06)		
Capital stock	1,288,641	1,309,371	(20,730)	(1.58)		
Capital surplus	2,348,423	2,383,809	(35,386)	(1.48)		
Retained earnings	4,658,407	4,373,013	285,394	6.53		
Other equity	(43,706)	(350,711)	307,005	(87.54)		
Treasury stock	-	(95,121)	95,121	(100.00)		
Total equity	8,251,765	7,620,361	631,404	8.29		

Description of material changes: (the change percentage is more than 20%)

- 1. Current liabilities were mainly due to the decrease in bank loans and accounts payable.
- 2. Total liabilities were mainly due to the decrease in current liabilities.
- 3. Other interests were mainly due to the net change in exchange difference in the translation of financial statements of foreign operating institutions.
- 4. Treasury stocks were mainly due to cancellation of treasury shares.

7.2 Financial performance

Financial Performance Analysis for the Last Two Years

Unit: NT\$ thousands

Year			Increase or decrease			
Item	2022	2021	Amount	Percentage of change %		
Operating revenue	9,723,576	10,883,071	(1,159,495)	(10.65)		
Operating costs	7,900,408	8,729,527	(829,119)	(9.50)		
Gross profit	1,823,168	2,153,544	(330,376)	(15.34)		
Operating expenses	851,568	825,033	26,535	3.22		
Operating Income (loss)	971,600	1,328,511	(356,911)	(26.87)		
Non-operating income and expenses	200,869	15,862	185,007	1166.35		
Profit before tax	1,172,469	1,344,373	(171,904)	(12.79)		
Income tax expenses	135,187	69,240	65,947	95.24		
Net income	1,037,282	1,275,133	(237,851)	(18.65)		

Description of major changes: (amount changes of more than 20%)

- 1. Operating income was mainly due to the decrease in operating revenue.
- 2. Non-operating income and expenses were caused by the impact of the US dollar exchange rate in 2022.
- 3. Income tax expenses were mainly because of the increase in the Company's profits.

The expected sales quantity and its basis, and the potential impact on the Company's future financial business and the response plan in this respect: the Company has been hammering at optical core technology and expanding the application range of light guide plates. Considering the production capacity planning and market product trends based on customer estimates, it is expected that the Company can maintain the competitiveness of its products and technologies within the upcoming 3-5 years.

7.3 Cash flow

Analysis of change in cash flow for the last two years

Unit: NT\$ thousands

Year Item	2022	2021	Increase (decrease)	Percentage of change (%)
Operating activities	1,510,893	1,201,893	309,000	25.71
Investment activities	67,692	(251,493)	319,185	(126.92)
Financing activities	(1,141,596)	(850,931)	(290,665)	34.16

Change analysis:

- 1. Operating activities were mainly caused by the increase in cash inflows from operations.
- 2. Investment activities were on account of the decrease in restricted deposits.
- 3. Financing activities were due to the decrease in short-term loans.

Cash liquidity analysis and improvement plan for insufficient liquidity in the coming year: There is no shortage of liquidity in that the Company has planned its cash requirements for operating and investment activities.

- 7.4 Effect of Material Capital Expenditures on Financial Operations during the Most Recent Fiscal Year: None.
- 7.5 Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for Coming Year:

Any reinvestment policy of the Company was subject to the resolution of the Board of Directors. Considering the medium- and long-term development and operational needs, its main policy lies in increasing revenue and profit. In the coming year, it will maintain its efforts in boosting the growth of optical core technology. Meanwhile, its reinvestment will target at those pertaining to the core business of the Company.

Unit: NT\$ thousands

Reinvestment business	2022 Investment profit (loss)	Description
SSEL	162,296	This is as a result of the recognition of reinvestment profit appraised by equity method.
SSOL	14,834	This is as a result of the recognition of reinvestment profit appraised by equity method.
SSTL	1,107,259	This is as a result of the recognition of reinvestment profit appraised by equity method.
SSDL	285,176	This is as a result of the recognition of reinvestment profit appraised by equity method.
SGL	(88,193)	This is as a result of the recognition of reinvestment loss appraised by equity method.
GLT-Optical	(366,511)	This is as a result of the recognition of reinvestment loss appraised by equity method.

7.6 Risk Matters

7.6.1 Impacts of interest and foreign exchange rate fluctuations and inflation on the Company's profit and loss, and countermeasures:

(1) Interest rate change:

The Company's interest income in 2022 was NT\$47,373,000, and interest expenses were NT\$18,265,000, both of which took up a relatively small percentage of its annual operating revenue and profit (loss). It is estimated that future interest rate change will not substantially affect the Company.

(2) Exchange rate fluctuation:

The Company's foreign exchange positions are mainly in US dollars, and the exchange rate risk is subject to the principle of natural offsetting. The main sales income and raw material purchases of the Company are denominated in US dollars. The natural risk hedging generated by their mutual offset can thus lower the demand for exchange. It can take on foreign currency debts as needed to lower related risks of exchange rate fluctuations.

(3) Inflation:

The prices of raw materials required by the Company maintains stable, without being affected by inflation in the short term.

7.6.2 Policies for high-risk, high-leverage investments, capital lending, endorsements, guarantees, and derivatives transaction, main reasons for the profits or losses generated thereby, and countermeasures:

The Company has never engaged in high-risk and high-leverage investments, and derivative transactions. Capital loans and endorsement guarantees of the Company are subject to affiliated enterprises in which the Cayman parent company in the Group holds 100% of the shares. The Company did not provide any capital loans and endorsement guarantees to any non-related parties, without any significant impact on its overall operations.

- 7.6.3 Future research and development (R&D) projects and estimated R&D expenditures: In 2023, the Company will stay true to polishing its optical core technology, and the estimated R&D expenses are about NT\$260,000,000.
- 7.6.4 Impacts of changes in domestic and foreign government policies and laws on the Company's financial operations, and future countermeasures:
 - All kinds of businesses of the Company were handled in accordance with relevant domestic and foreign laws and regulations. It kept a close eye on important policy development trends and legal changes at home and abroad, so as to respond to changes in the market environment in real time and take appropriate countermeasures. Therefore, will not affect the company's financial business. The financial business of the Company will not be significantly affected.
- 7.6.5 Impacts of industry and technology changes (including cyber security risks) to the Company's financial operations, and future countermeasures:
 - The Company kept abreast of the market and industry evolution trends at any time, and formulated strategies and development directions based on changes in market supply and demand, in a bid to make its products more widely used. Therefore, there is no significant adverse impact on the its financial business due to technological changes or industry changes.
 - Cyber security risk: The Company's Cyber Department holds liable for formulating and maintaining all kinds of cyber security management institutions and systems, including network management and system management. It is also the Cyber Department that carries out cyber security and network risk assessments based on different cyber systems, and manages and controls risks based on the impact level and occurrence probability of risks. With respect to high-risk systems, necessary management mechanisms are adopted, such as data backup, settings of remote host backup computer rooms, to ensure uninterrupted system operation. Besides, database recovery drills, information security education and training, and other related operations are carried out at regular intervals to intensify the concept of cyber security risks for all employees of the Company.
- 7.6.6 Impacts of changes in corporate image on the Company's crisis management and future countermeasures:
 - At present, there is no incident of corporate crisis caused by changes in the corporate image of the Company.
- 7.6.7 Expected benefits, potential risks and response measures related to mergers and acquisitions: None.
- 7.6.8 Expected benefits, potential risks and response measures related to plant expansion:

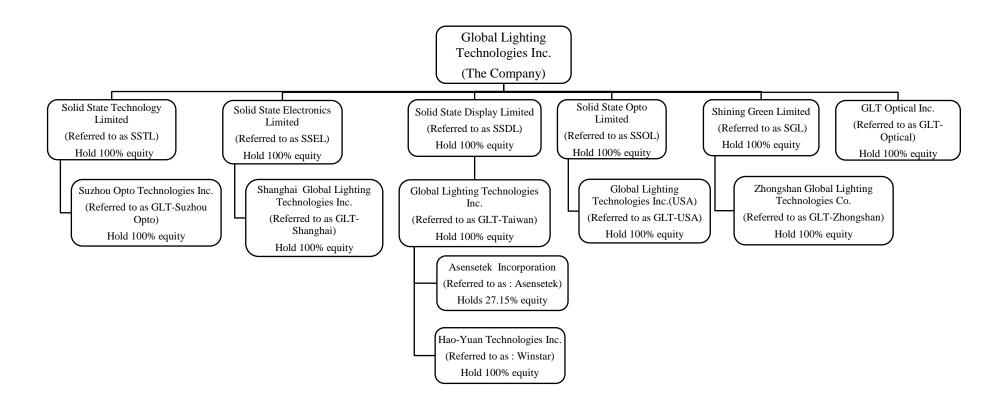
 Considering the regional and structural changes of global technology industry and responding

to the product production service plans of our customers, the Company has established bases in more than one country and region. Its plant expansion was carried out in stages after prudent capital expenditure planning to stabilize its long-term development.

- 7.6.9 Risk of procurement and sales concentration, and future countermeasures:
 - The Company maintains a good relationship with most suppliers and customers, with constant efforts in developing new technologies and application fields of light guide plates, thus lowering the risk of excessive purchases and sales.
- 7.6.10 Impacts and risks arising from, and response measures for, major transfer or replacement of shares by Directors, Supervisors, or shareholders with over 10% of shares in the Company: none.
- 7.6.11 Impacts and risks arising from, and response measures for, the change in Company management: None.
- 7.6.12 With respect to litigation or non-litigation affairs, major litigation, non-litigation or disputed event to which the Company and its directors, general manager, actual superintendent, major shareholders holding more than 10% of the shares is or are a party and that have been judged or pending shall be detailed. Where the results of litigation or non-litigation affairs may have a significant impact on shareholders' rights or securities prices, the fact under dispute, subject amount, litigation date, litigants, and litigation progress as of the annual report shall be disclosed: None.
- 7.6.13 Other material risks and response measures: None
- 7.7 Other Material Matters: None

8. Special Notes

- 8.1 Operational overview of affiliates
- 8.1.1 Profile of Affiliated Companies
 - (1) Organization Chart of Affiliated Companies



8.1.2 Basic Data of Affiliates Companies

December 31, 2022 Unit: NT\$

				Весеннеет	51, 2022 Onit • 1 \1 \$
Affiliate	Date of Establishment	Major Business or Products	Address	Nationality	Paid-inCapital
SSEL	5/23/2000	Sales company and holding company	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.	British Virgin Islands	US\$6,561,000
SSOL	5/23/2000	Sales company and holding company	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.	British Virgin Islands	US\$9,950,167
SSTL	5/23/2000	Sales company and holding company	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.	British Virgin Islands	US\$10,750,000
SSDL	5/23/2000	Sales company and holding company	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.	British Virgin Islands	US\$35,144,141
SGL	1/4/2010	Holding company	P.O. Box 217, Apia, Samoa	Samoa	US\$15,000,000
GLT- Optical	3/29/2013	Research, design, development, manufacturing and sales of light guide plate application products	No. 6, Tongke 1 Road, Hsinchu Science Park, Tongluo Township, Miaoli County, Taiwan, R.O.C.	Taiwan, ROC	NT\$850,894,000
GLT- Taiwan	11/3/2000	R&D, production and sales of light guide plate application products, development of optical mold and production and sales of electronic matching plastic products	No. 1149, Section 3, Ming Chuan Road, Zhongli District, Taoyuan City, Taiwan, R.O.C.	Taiwan, ROC	NT\$1,115,199,560
Asensetek	3/14/2012	Manufacturing and sales of optical and precision equipment, electronic components, motors and electronic machinery	9F, No. 43, Fuxing Road, Xindian District, New Taipei City, Taiwan, R.O.C.	Taiwan, ROC	NT\$26,834,990
Winstar	3/28/2013	General investment business	No. 1149, Section 3, Ming Chuan Road, Zhongli District, Taoyuan City, Taiwan, R.O.C.	Taiwan, ROC	NT\$14,000,000
GLT- Shanghai	11/1/1993	Production and sales of light guide plate application products, development of optical mold and production and sales of electronic matching plastic products	No. 1468, Tingweigong Road, Shanyang County, Jingshan District, Shanghai, PR China	People Republic of China	US\$20,000,000
GLT- Suzhou Opto	7/6/2004	R&D, production and sales of light guide plate application products and displays, development of optical mold, and production and sales of plastic products for electronic use	No. 468, Songshan Road, Xuye Pass, Gaoxin District, Zhuzhou, PR China	People Republic of China	US\$21,200,000

Affiliate	Date of Establishment	Major Business or Products	Address	Nationality	Paid-inCapital
GLT- Zhongshan	3/24/2011	Production and sales of light guide plate application products	The northwest side of the 1 st floor and the west side of the 2 nd floor of Building A, Wistron Zhongshan Optoelectronic Park 1, Linhai Industrial Park, Torch Development Zone, Zhongshan City, PR China	People Republic of China	US\$15,000,000
GLT-USA	7/24/2000	Production and sales of light guide plate application products	55 Andrews Circle, Brecksville, Ohio 44141, U.S.A.	USA	US\$7,247,343

 $8.1.3\ Information\ about\ Common\ Shareholders\ of\ Entities\ Presumed\ to\ Have\ a\ Controlling\ and\ Subordinate\ Relationship\ :\ NA$

8.1.4 Information on Directors, Supervisors and General Managers of Affiliated Companies:

			Shareholding			
Affiliate	Title	Name	Shares (Capital Contribution)	%		
SSEL	Chairman	Global Lighting Technologies Inc. Representative: Mang-Shiang Lee	6,561,000 shares	100%		
SSOL	Chairman	Global Lighting Technologies Inc. Representative: Mang-Shiang Lee	9,950,167 shares	100%		
SSTL	Chairman	Global Lighting Technologies Inc. Representative: Mang-Shiang Lee	10,750,000 shares	100%		
SSDL	Chairman	Global Lighting Technologies Inc. Representative: Mang-Shiang Lee	35,144,141 shares	100%		
SGL	Chairman	Global Lighting Technologies Inc. Representative: Mang-Shiang Lee	15,000,000 shares	100%		
GLT-Optical	Chairman	Global Lighting Technologies Inc. Representative: Mang-Shiang Lee	85,089,400 shares	100%		
GLT-Taiwan	Chairman	Solid State Display Limited Representative: Mang-Shiang Lee	111,519,956 shares	100%		
	Chairman	Solid State Electronics Limited Representative: Fleming Lin				
CLT Charaches	Director	Solid State Electronics Limited Representative: Chung-Lin Tsai	VIG#20 000 000	1000/		
GLT-Shanghai	Director	Solid State Electronics Limited Representative: Amanda Huang	US\$20,000,000 100			
	Supervisor	Solid State Electronics Limited Representative: Mei-Chen Chuang				
	Chairman	Solid State Electronics Limited Representative: Fleming Lin				
CLT Such au Octo	Director	Solid State Electronics Limited Representative: Chung-Lin Tsai	HGΦ21 200 000	1000/		
GLT-Suzhou Opto	Director	Solid State Electronics Limited Representative: Amanda Huang	US\$21,200,000	100%		
	Supervisor	Solid State Electronics Limited Representative: Mei-Chen Chuang				
	Chairman	Shining Green Limited Representative: Mang-Shiang Lee				
GLT-Zhongshan	Director	Shining Green Limited Representative: Lee Xing-Kun	US\$15,000,000	100%		
	Director	Shining Green Limited Representative: Jiann-Shiun Lin				

			Shareholding		
Affiliate	Affiliate Title Name		Shares (Capital Contribution)	%	
	Supervisor	Shining Green Limited Representative: Mei-Chen Chuang			
GLT-USA	Chairman	Solid State Opto Limited Representative: Mang-Shiang Lee	100 shares	100%	
Asensetek	Chairman	Wang Bo-Sheng	436,610 shares	16.27%	
Asensetek	Supervisor	Zhu Yan-Han	172,655 shares	6.43%	
Hao-Yuan	Chairman	Global Lighting Technologies Inc. Representative: Mang-Shiang Lee	1,400,000 shares	100%	

8.1.5 Financial status and operating results of affiliated companies:

December 31, 2022 Unite: NT\$

	1		T				CCIIIOCI 31, 2022	- ·
Affiliate	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Net Income (Loss)	Current Period (Profit) and Loss	Earnings (Loss) Per Share
SSEL	US\$6,561,000	US\$51,492,534	US\$63,885	US\$51,428,649	US\$608,925	US\$58,685	US\$5,802,367	US\$0.88
SSOL	US\$9,950,167	US\$77,005,844	US\$50,991,414	US\$26,014,430	US\$135,482,734	(US\$427,951)	US\$496,954	US\$0.05
SSTL	US\$10,750,000	US\$103,692,358	US\$16,097,810	US\$87,594,548	US\$116,364,963	US\$34,089,537	US\$36,574,906	US\$3.40
SSDL	US\$35,144,141	US\$91,449,709	US\$1,158,117	US\$90,291,592	US\$4,746,484	US\$378,128	US\$9,668,948	US\$0.28
SGL	US\$15,000,000	US\$4,856,004	US\$0	US\$4,856,004	US\$0	US\$0	(US\$3,001,299)	(US\$0.20)
GLT-Optical	NT\$850,894,000	NT\$2,358,402,946	NT\$2,136,675,311	NT\$221,727,635	NT\$245,689,054	(NT\$300,595,499)	(NT\$367,051,381)	(NT\$4.31)
GLT-Taiwan	NT\$1,115,199,560	NT\$3,297,031,042	NT\$601,318,647	NT\$2,695,712,395	NT\$1,794,778,052	NT\$217,277,418	NT\$275,964,505	NT\$2.47
GLT-Shanghai	US\$20,000,000	US\$113,901,657	US\$63,660,977	US\$50,240,680	US\$251,840,519	US\$5,961,368	US\$5,713,749	-
GLT-Suzhou Opto	US\$21,200,000	US\$30,000,624	US\$4,250,060	US\$25,750,564	US\$14,900,524	(US\$270,485)	US\$1,209,849	-
GLT-Zhongshan	US\$15,000,000	US\$13,959,141	US\$9,103,350	US\$4,855,791	US\$6,233,070	(US\$2,785,070)	(US\$3,001,299)	-
GLT-USA	US\$7,247,343	US\$17,659,257	US\$2,879,034	US\$14,780,223	US\$15,484,616	US\$830,657	US\$695,822	US\$6,958.22
Asensetek	NT\$26,834,990	NT\$3,856,393	NT\$464,647	NT\$3,391,746	NT\$0	(NT\$14,109,232)	(NT\$12,578,104)	(NT\$4.69)
Hao-Yuan	NT\$14,000,000	NT\$8,635,237	NT\$0	NT\$8,635,237	NT\$0	NT\$0	NT\$34,676	NT\$0.02

- 8.1.6 Consolidated financial statements of affiliated companies: Please refer to page 119 to 190.
- 8.1.7 Relationship report: None.
- 8.2 Private Placement Securities in the Past Years and as of the Date of Publication of the Annual Report: None.
- 8.3 Holding or Disposal of the Company's Shares by Affiliates in the Past Year and as of the Date of Publication of the Annual Report: None.
- 8.4 Other Necessary Supplementary Explanations: None.
- 8.5 Explanation of major differences between the company's articles of incorporation and national regulations on the protection of shareholders' equity: No major differences.
- 9. Matters That Materially Affect Shareholders' Equity or The Price of The Company's Securities Specified in Article 36, Paragraph 3, Subparagraph 2 of The Securities And Exchange Act, Occurred During The Most Recent Fiscal Year or During The Current Fiscal Year up to The Date of Publication of The Annual Report: None.

Global Lighting Technologies Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所 11073 台北市信義區松仁路100號20樓

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Global Lighting Technologies Inc.

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and 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 Financial Statements by 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 Group 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 Matter

Key audit matter is a matters that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. The matter was 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 the matter.

The key audit matter in the audit of the Group's consolidated financial statements for the year ended December 31, 2022 is stated below:

Validity of Occurrence of Sales Revenue from Specific Customers

Since the Group is a listed company, management may be under pressure to meet the financial targets. Furthermore, operating revenue is one of the important indicators to measure the Group's profitability and operating performance, and recognition of revenue is inherently a higher risk. The amount of revenue from specific customers for the year ended December 31, 2022 was \$4,301,599 thousand, which accounted for 44% of the consolidated operating revenue. The impact of the sales on the consolidated financial statements was significant; therefore, we identified the validity of occurrence of sales revenue from specific customers as a key audit matter for the year ended December 31, 2022.

Refer to Notes 4 and 21 to the consolidated financial statements for details on accounting policies and relevant disclosures of revenue recognition. Our main audit procedures performed in respect of the aforementioned key audit matter were as follows:

- 1. We obtained an understanding of the internal controls related to the aforementioned sales, assessed the design of the controls, determined that controls have been implemented and tested the operating effectiveness of these controls.
- We performed substantive testing of the aforementioned sales, selected appropriate samples
 and checked them against the external transaction documents and the recovery of receivables.
 We verified the validity of the occurrence of the transactions and also checked for any
 abnormalities in payment collections.

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 Group'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 Group 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 Group'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 Standards on Auditing of 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 Standards on Auditing of 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 Group'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 Group'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 Group 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 Group 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 group 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 audits resulting in this independent auditors' report are Chao-Mei Chen and Cheng-Chuan Yu.

Deloitte & Touche Taipei, Taiwan Republic of China

February 24, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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. 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.

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022		2021	2021	
ASSETS	Amount	%	Amount	%	
CURRENT ASSETS					
Cash and cash equivalents (Notes 4 and 6)	\$ 4,690,814	40	\$ 3,988,556	33	
Financial assets at amortized cost (Notes 4 and 7)	3,800	-	7,800	-	
Notes receivable (Notes 4, 9 and 21)	1 950 929	- 1 <i>c</i>	28	20	
Accounts receivable (Notes 4, 9 and 21) Accounts receivable - related parties (Notes 4, 21 and 28)	1,859,828 26,736	16	2,470,246 41,599	20	
Other receivables (Notes 4 and 9)	6,381	-	3,286	_	
Other receivables - related parties (Notes 4 and 28)	-	-	1,189	-	
Current tax assets (Notes 4 and 23)	104	-	-	-	
Inventories (Notes 4 and 10)	1,237,788	10	1,303,340	11	
Prepayments Other current assets (Notes 11 and 29)	21,596 2,096	-	29,985 157,284	<u> </u>	
	2,000				
Total current assets	7,849,158	<u>66</u>	8,003,313	<u>65</u>	
NON-CURRENT ASSETS		_		_	
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	279,327	3	279,175	2	
Property, plant and equipment (Notes 4, 14 and 28) Right-of-use assets (Notes 4 and 15)	2,975,406 667,078	25 6	3,239,528 690,596	27 6	
Deferred tax assets (Notes 4 and 23)	31,413	-	37,432	-	
Prepayments for equipment (Note 25)	3,418	-	3,891	-	
Net defined benefit assets (Notes 4 and 18)	13,387	-	6,369	-	
Other non-current assets (Notes 11 and 29)	19,257		21,928		
Total non-current assets	3,989,286	_34	4,278,919	<u>35</u>	
TOTAL	<u>\$ 11,838,444</u>	<u>100</u>	<u>\$ 12,282,232</u>	<u>100</u>	
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Short-term borrowings (Notes 16 and 29)	\$ 400,000	3	\$ 798,000	7	
Contract liabilities (Note 21)	2,454	-	3,615	-	
Accounts payable	1,476,484	12	2,134,972	17	
Accounts payable - related parties (Note 28)	153,579	1	125,980	1	
Other payables (Note 17) Other payables - related parties (Note 28)	427,031 9,428	4	451,252 8,211	4	
Current tax liabilities (Notes 4 and 23)	85,562	1	71,250	1	
Lease liabilities (Notes 4, 15 and 28)	25,930	-	25,007	-	
Long-term borrowings - current portion (Note 16)	82,500	1	-	-	
Other current liabilities	5,782		8,396		
Total current liabilities	<u>2,668,750</u>	22	3,626,683	_30	
NON-CURRENT LIABILITIES					
Long-term borrowings (Note 16)	187,500	2	270,000	2	
Provision for employee benefits (Notes 4 and 18)	7,826	-	8,591	-	
Deferred tax liabilities (Notes 4 and 23)	2,743	- 5	1,563 672,798	-	
Lease liabilities (Notes 4, 15 and 28) Long-term deferred revenue (Note 19)	652,581 67,279	5 1	82,236	5 1	
Total non-current liabilities	917,929	8	1,035,188	8	
Total liabilities	3,586,679	<u>30</u>	4,661,871	<u>38</u>	
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)	1 200 641	11	1 200 271	11	
Share capital Capital surplus	1,288,641 2,348,423	$\frac{11}{20}$	1,309,371 2,383,809	<u>11</u> 19	
Retained earnings			2,303,009		
Special reserve	350,711	3	267,197	2	
Unappropriated earnings	4,307,696	<u>36</u>	4,105,816	34 36 (3)	
Total retained earnings	4,658,407	39	4,373,013	<u>36</u>	
Other equity Treasury shares	<u>(43,706)</u> 	-	(350,711) (95,121)	<u>(3)</u> <u>(1)</u>	
Total equity attributable to owners of the Company	8,251,765	<u>70</u>	7,620,361	62	
Total equity	<u>8,251,765</u>	70	7,620,361	62	
TOTAL	<u>\$ 11,838,444</u>	<u>100</u>	<u>\$ 12,282,232</u>	<u>100</u>	

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

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	%
OPERATING REVENUE (Notes 4, 21 and 28)	\$ 9,723,576	100	\$ 10,883,071	100
OPERATING COSTS (Notes 10, 22 and 28)	7,900,408	81	8,729,527	80
GROSS PROFIT	1,823,168	<u>19</u>	2,153,544	20
OPERATING EXPENSES (Notes 9, 22 and 28) Selling and marketing General and administrative Research and development Expected credit loss	239,453 359,589 252,526	2 4 3 —-	266,919 357,209 200,822 <u>83</u>	3 3 2 —-
Total operating expenses	<u>851,568</u>	9	825,033	8
PROFIT FROM OPERATIONS	971,600	_10	1,328,511	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Note 22) Interest income Other income (Notes 19 and 28) Other gains and losses Finance costs (Note 28)	47,373 21,478 150,283 (18,265)	2	8,851 41,649 (16,596) (18,042)	- - - -
Total non-operating income and expenses	200,869	2	15,862	
PROFIT BEFORE INCOME TAX	1,172,469	12	1,344,373	12
INCOME TAX EXPENSE (Notes 4 and 23)	(135,187)	(1)	(69,240)	
NET PROFIT	1,037,282	11	1,275,133	12
OTHER COMPREHENSIVE INCOME (LOSS) Items that will not be reclassified subsequently to profit or loss: Remeasurement of defined benefit plans (Note 18) Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 20)	6,389 (18,029)	-	(483) 2,266 (Cor	- ntinued)

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	%	
Exchange differences on translation to the presentation currency (Note 20) Income tax relating to items that will not be	\$ 816,052	8	\$ (214,049)	(2)	
reclassified subsequently to profit or loss (Note 23)	(1,278) 803,134	8	97 (212,169)	<u>-</u> (2)	
Items that may be reclassified subsequently to profit or loss: Exchange differences on translation of the financial statements of foreign operations					
(Note 20)	(491,018)	<u>(5</u>)	128,269	1	
Total other comprehensive income (loss)	312,116	3	(83,900)	(1)	
TOTAL COMPREHENSIVE INCOME	<u>\$ 1,349,398</u>	<u>14</u>	<u>\$ 1,191,233</u>	11	
NET PROFIT ATTRIBUTABLE TO: Owners of the Company Non-controlling interests	\$ 1,037,282 	11	\$ 1,275,133 	12	
	\$ 1,037,282	11	<u>\$ 1,275,133</u>	<u>12</u>	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:	ф. 1.240.200	1.4	ф. 1.101.222	11	
Owners of the Company Non-controlling interests	\$ 1,349,398 	14 	\$ 1,191,233 	11 	
	\$ 1,349,398	<u>14</u>	<u>\$ 1,191,233</u>	11	
EARNINGS PER SHARE (Note 24) Basic Diluted	\$ 8.05 \$ 8.02		\$ 9.74 \$ 9.67		

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

(Concluded)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company (Note 20)							
			Potained	Earnings	Other Exchange Differences on Translation the Financial Statements of	Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other		
	Share Capital	Capital Surplus	Special Reserve	Unappropriated Earnings	Foreign Operations	Comprehensive Income	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2021	\$ 1,309,371	\$ 2,383,809	\$ 173,867	\$ 3,644,553	\$ (258,846)	\$ (8,351)	\$ -	\$ 7,244,403
Appropriation of 2020 earnings Special reserve Cash dividends distributed by the Company	- -	- -	93,330	(93,330) (720,154)	- -	- -		(720,154)
Net profit for the year ended December 31, 2021	-	-	-	1,275,133	-	-	-	1,275,133
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	_	_	(386)	(85,780)	2,266	_	(83,900)
Total comprehensive income (loss) for the year ended December 31, 2021		<u>-</u> _		1,274,747	(85,780)	2,266		1,191,233
Buy-back of ordinary shares	_						(95,121)	(95,121)
BALANCE AT DECEMBER 31, 2021	1,309,371	2,383,809	267,197	4,105,816	(344,626)	(6,085)	(95,121)	7,620,361
Appropriation of 2021 earnings Special reserve Cash dividends distributed by the Company	- -	- -	83,514	(83,514) (644,320)	- -	- -	- -	(644,320)
Net profit for the year ended December 31, 2022	-	-	-	1,037,282	-	-	-	1,037,282
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-			5,111	325,034	(18,029)		312,116
Total comprehensive income (loss) for the year ended December 31, 2022				1,042,393	325,034	(18,029)		1,349,398
Buy-back of ordinary shares	-	-	-	-	-	-	(73,674)	(73,674)
Cancelation of treasury shares	(20,730)	(35,386)		(112,679)	_	_	168,795	_
BALANCE AT DECEMBER 31, 2022	<u>\$ 1,288,641</u>	<u>\$ 2,348,423</u>	\$ 350,711	<u>\$ 4,307,696</u>	<u>\$ (19,592)</u>	<u>\$ (24,114)</u>	<u>\$</u>	\$ 8,251,765

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

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				
Profit before income tax	\$	1,172,469	\$	1,344,373
Adjustments for:		, , , ,		, -
Depreciation expense		404,293		406,343
Expected credit losses		, -		83
Interest expense		18,265		18,042
Interest income		(47,373)		(8,851)
Dividend income		-		(12,786)
Gain on disposal of property, plant and equipment		(444)		(13,322)
Net loss (gain) on foreign currency exchanges		9,336		(2,467)
Loss on inventories valuation and obsolescence		17,879		30,983
Amortization of long-term deferred revenue		(17,097)		(19,365)
Other income (Note 22)		-		(5,862)
Net changes in operating assets and liabilities				
Notes receivable		13		(28)
Accounts receivable		700,653		307,884
Accounts receivable - related parties		15,549		6,035
Other receivables		(1,645)		4,050
Other receivables - related parties		1,214		78
Inventories		82,355		(354,469)
Prepayments		8,915		2,590
Other current assets		3,180		(2,242)
Net defined benefit assets		(629)		(632)
Contract liabilities		(1,245)		(1,622)
Accounts payable		(741,805)		(374,419)
Accounts payable - related parties		27,019		16,261
Other payables		(50,579)		(17,448)
Other payables - related parties		1,172		(6,650)
Other current liabilities		(2,914)		1,647
Provision for employee benefits	_	(765)	_	(4,320)
Cash generated from operations		1,597,816		1,313,886
Interest received		45,947		9,118
Interest paid		(17,928)		(18,207)
Income tax paid	_	(114,942)	_	(102,904)
Net cash generated from operating activities	_	1,510,893	_	1,201,893
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of financial assets at fair value through other comprehensive				
income		_		(267,977)
Proceeds from capital reduction of financial assets at fair value through				(=0.,>)
other comprehensive income		_		18,267
Acquisition of financial assets at amortized cost		(3,800)		(280,221)
Principal from financial assets measured at amortized cost		8,031		476,412
Payments for property, plant and equipment (Note 25)		(91,756)		(225,648)
- John St. Co. Francisco and administrative (1, 1000 20)		(= -,)		(Continued)
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CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
Proceeds from disposal of property, plant and equipment (Note 25) Decrease (increase) in refundable deposits Decrease in other financial assets - restricted assets Dividends received	\$ 456 2,586 152,175	\$ 12,962 (2,439) 4,365 12,786
Net cash generated from (used in) investing activities	67,692	(251,493)
CASH FLOWS FROM FINANCING ACTIVITIES Increase in short-term borrowings Decrease in short-term borrowings Proceeds from long-term borrowings Repayments of long-term borrowings Repayment of the principal portion of lease liabilities Cash dividends distributed Payments for buy-back of ordinary shares Net cash used in financing activities	3,061,000 (3,459,000) - (25,602) (644,320) (73,674) (1,141,596)	4,984,000 (5,046,000) 270,000 (219,000) (24,656) (720,154) (95,121) (850,931)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	265,269	(75,262)
NET INCREASE IN CASH AND CASH EQUIVALENTS	702,258	24,207
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3,988,556 \$ 4,690,814	3,964,349 \$ 3,988,556
The accompanying notes are an integral part of the consolidated financial s	tatements.	(Concluded)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Global Lighting Technologies Inc. (the "Company", and its subsidiaries collectively referred to as the "Group") was incorporated in the Cayman Islands on July 28, 2000. The Group is mainly engaged in the design, manufacturing, and sales of applications of light guide plates, development of optical molds and the manufacturing, and sales of plastic components. The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since July 28, 2011.

The functional currency of the Company is the United States dollar. As the Company's shares are listed on the TWSE, for greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on February 23, 2023.

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

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

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

Effective Date

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

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

- Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.
- Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

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

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

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

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

- Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.
- Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

Basis of Preparation

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

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

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

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

Classification of Current and Non-current Assets and Liabilities

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within 12 months after the reporting period; and
- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within 12 months after the reporting period; and
- c. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

Basis of Consolidation

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

Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

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

See Note 12, Table 6 and Table 7 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

Foreign Currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

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

The Company's financial statements are presented in its functional currency, the USD, while each of its subsidiaries' financial statements are presented in their respective functional currencies. Therefore, for the purpose of presenting the consolidated financial statements, assets and liabilities are translated into the USD at the exchange rate of the Group's functional currency prevailing at the end of the reporting period; equities are translated into the USD at historical rates; and income and expense items are translated into the USD at the average exchange rates for the period. The resulting currency translation differences are recognized in exchange differences on translating foreign operations and accumulated in equity. After consolidation, the financial statements are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period; and equities are translated at historical rates. The resulting currency translation differences are recognized in exchange differences on translation to the presentation currency and accumulated in equity.

Inventories

Inventories consist of raw materials, work in process, finished goods and inventory in transit and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are stated at weighted-average cost on the balance sheet date.

Property, Plant and Equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

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

Impairment of Property, Plant and Equipment and Right-of-use Assets

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

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

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

Financial Instruments

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

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

a. Financial assets

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

1) Measurement category

Financial assets are classified into the following categories: Financial assets at amortized cost and equity instruments at fair value through other comprehensive income (FVTOCI).

a) Financial assets at amortized cost

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables and other receivables at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

A financial asset is credit impaired when one or more of the following events have occurred:

- i. Significant financial difficulty of the issuer or the borrower;
- ii. Breach of contract, such as a default;
- iii. It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv. The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Investments in equity instruments at FVTOCI

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

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

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

2) Impairment of financial assets

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

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

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

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

a) Internal or external information shows that the debtor is unlikely to pay its creditors.

b) Financial asset is more than 270 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

3) Derecognition of financial assets

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

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

b. Financial liabilities

1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

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

Provision

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Revenue Recognition

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

Revenue from the sale of goods comes from sales of application of light guide plates and plastic components. Sales of these goods are recognized as revenue when the goods are shipped or delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence. Accounts receivable and revenue are recognized concurrently. The transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

Leasing

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

The Group as lessee

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

Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Borrowing Costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

Employee Benefits

a. Short-term employee benefits

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

b. Retirement benefits

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

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

Taxation

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

a. Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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

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

b. Deferred tax

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

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

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

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

c. Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

6. CASH AND CASH EQUIVALENTS

	December 31			
	2022	2021		
Cash on hand	\$ 2,405	\$ 2,170		
Checking accounts and demand deposits	4,319,529	3,899,846		
Cash equivalents				
Time deposits with original maturities of 3 months or less	368,880	86,540		
	\$ 4,690,814	<u>\$ 3,988,556</u>		

7. FINANCIAL ASSETS AT AMORTIZED COST

	December 31		
	2022	2021	
Current			
Time deposits with original maturities of more than 3 months	\$ 3,800	\$ 7,800	

The interest rates for time deposits with original maturities of more than 3 months were approximately 1.44% and 0.58% per annum as of December 31, 2022 and 2021, respectively.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31			
	2022	2021		
Non-current				
Domestic investments				
Unlisted shares				
Top Taiwan XIII Venture Capital Co., Ltd.	\$ 86,800	\$ 99,200		
Chi Lin Optoelectronics Co., Ltd.	8,267	13,895		
•	95,067	113,095		
Foreign investments				
Unlisted shares				
Sensel Inc.	<u> 184,260</u>	166,080		
	\$ 279,327	\$ 279,175		

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In March 2021, the Group received the capital reduction refund of \$18,267 thousand from Chi Lin Optoelectronics Co., Ltd, with a capital reduction ratio of 70%.

In September 2021, the Group initiated the subscription of 10,000 thousand ordinary shares of Top Taiwan XIII Venture Capital Co., Ltd. with \$100,000 thousand for medium- to long-term strategic purposes; the management designated these investments as at FVTOCI.

In October 2021, the Group participated in the capital increase of Sensel Inc. and acquired 1,470 thousand shares with US\$6,000 thousand (equivalent to NT\$167,977 thousand) for medium- to long-term strategic purposes; the management designated these investments as at FVTOCI.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31			
	2022		2021	
Notes receivable				
At amortized cost Gross carrying amount Less: Allowance for impairment loss	\$	15 	\$	28
	<u>\$</u>	15	\$	28
Accounts receivable				
At amortized cost Gross carrying amount Less: Allowance for impairment loss	\$ 1,85	59,828 	\$ 2,4	70,246
	<u>\$ 1,85</u>	59,828		70,246 ontinued)

	Decer	nber 31
	2022	2021
Other receivables		
At amortized cost	\$ 6,381	\$ 3,286 (Concluded)

a. Notes receivable and accounts receivable

The average credit period of sales of goods was 60 to 90 days. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher, and credit exposure is controlled by counterparty limits that are reviewed and approved annually.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the industry forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of notes receivable based on the Group's provision matrix.

	December 31			
	2022	2021		
	Not Past Due	Not Past Due		
Expected credit loss rate	0%	0%		
Gross carrying amount Loss allowance (Lifetime ECLs)	\$ 15 	\$ 28		
Amortized cost	<u>\$ 15</u>	<u>\$ 28</u>		

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

December 31, 2022

	Not Past Due	Up to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	100%	
Gross carrying amount Loss allowance (Lifetime ECL)	\$ 1,730,811	\$ 116,542 -	\$ 11,392 -	\$ 442	\$ -	\$ 641	\$ - -	\$ 1,859,828
Amortized cost	<u>\$ 1,730,811</u>	<u>\$ 116,542</u>	\$ 11,392	\$ 442	<u>s</u>	<u>\$ 641</u>	<u>s</u>	\$ 1,859,828

December 31, 2021

	Not Past Due	Up to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	100%	
Gross carrying amount Loss allowance (Lifetime	\$ 2,262,797	\$ 196,526	\$ 10,911	\$ 12	\$ -	\$ -	\$ -	\$ 2,470,246
ECL)								
Amortized cost	\$ 2,262,797	\$ 196,526	\$ 10,911	<u>\$ 12</u>	<u>s -</u>	\$ -	<u>\$ -</u>	\$ 2,470,246

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

	202	22	2	021
Balance at January 1	\$	_	\$	259
Add: Impairment loss recognized		-		83
Less: Amounts written off		-		(338)
Foreign exchange gains and losses		<u> </u>		<u>(4</u>)
Balance at December 31	\$	<u> </u>	\$	_

b. Other receivables

Other receivables comprise value-added tax refund receivable and outstanding interest receivables from banks. The Group only transacts with counterparties that have good credit ratings and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group continues to engage in enforcement activity to trace the conditions of the receivables with reference to the past default experience of the debtor and an analysis of the debtor's current financial position, in determining whether the credit risk of other receivables has increased significantly since initial recognition as well as for measuring the expected credit losses. As of December 31, 2022 and 2021, the Group assessed that the expected credit loss of other receivables was considered to be 0%.

10. INVENTORIES

	December 31			
	2022	2021		
Raw materials	\$ 464,223	\$ 471,742		
Work in process	28,036	60,114		
Finished goods	679,783	669,862		
Inventory in transit	65,746	101,622		
	<u>\$ 1,237,788</u>	\$ 1,303,340		

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31			
	2022	2021		
Cost of inventories sold Inventory write-downs	\$ 7,882,529 <u>17,879</u>	\$ 8,698,544 30,983		
	<u>\$ 7,900,408</u>	\$ 8,729,527		

11. OTHER ASSETS

	December 31		
	2022	2021	
Current			
Other financial assets - restricted assets (Note 29) Others	\$ - <u>2,096</u>	\$ 152,240 5,044	
	\$ 2,096	<u>\$ 157,284</u>	
Non-current			
Other financial assets - restricted assets (Note 29) Refundable deposits	\$ 17,969 1,288	\$ 18,135 3,793	
	<u>\$ 19,257</u>	<u>\$ 21,928</u>	

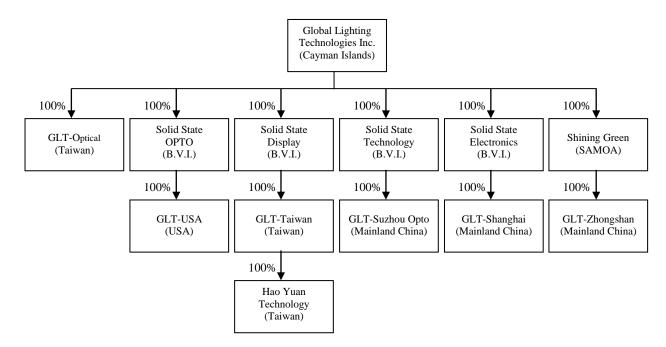
12. SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

			Proportion of 0	Ownership (%)
			Decem	
Investor	Investee	Nature of Activities	2022	2021
Global Lighting Technologies Inc. (Cayman)	Solid State OPTO Limited (BVI) (Solid State OPTO)	Holding company engaged in the sale of products	100	100
	Solid State Display Limited (BVI) (Solid State Display)	Holding company engaged in the sale of products	100	100
	Solid State Technology Limited (BVI) (Solid State Technology)	Holding company engaged in the sale of products	100	100
	Solid State Electronics Limited (BVI) (Solid State Electronics)	Holding company engaged in the sale of products	100	100
	Shining Green Limited (Shining Green)	Holding company	100	100
	GLT Optical Inc. (GLT-Optical) (Note)	Design, production, and sale of applications of light guide plates	100	100
Solid State OPTO	Global Lighting Technologies Inc. (GLT-USA)	Design and sale of applications of light guide plates	100	100
Solid State Display	Global Lighting Technologies Inc. (GLT-Taiwan)	Design, production, and sale of applications of light guide plates, design and production of optical molds, and sales of plastic products for electronic components	100	100
Solid State Technology	Suzhou Opto Technologies Inc. (GLT-Suzhou Opto)	Design, production, and sale of applications of light guide plates and monitor, design of optical molds, and production and sale of plastic products for electronic use	100	100
Solid State Electronics	Shanghai Global Lighting Technologies Inc. (GLT-Shanghai)	Design, production, and sale of applications of light guide plates, design of optical molds, and production and sale of plastic products for electronic components	100	100
Shining Green	Zhongshan Global Lighting Technology Limited Co. (GLT-Zhongshan)	Production, and sale of applications of light guide plates	100	100
Global Lighting Technologies Inc. (Taiwan)	Hao Yuan Technology Limited Co. (Hao Yuan Technology)	Investment industry; wholesale and retail sale of electronic materials	100	100

Note: In order to strengthen GLT-Optical's financial structure and in consideration of its future operational development needs, the Company's board of directors resolved to increase investment in amount of \$200,000 thousand in GLT-Optical on December 28, 2021. The procedure for alteration registration had been completed on March 14, 2022. In order to improve the financial structure of GLT-Optical, the Company's board of directors resolved to reduce the capital to offset a deficit on June 10, 2022. The amount of reduction was \$200,000 thousand, and the total paid-in

capital after the reduction was \$500,894 thousand. The procedure for registration of change had been completed on June 24, 2022. In order to strengthen GLT-Optical's financial structure and in consideration of its future operational development needs, the Company's board of directors resolved to increase investment in amount of \$350,000 thousand in GLT-Optical on August 15, 2022. The procedure for alteration registration had been completed on September 29, 2022.

As of December 31, 2022, the investment relationships and shareholding proportions of the Group are as follows:



13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	200011	
	2022	2021
Associates that is not individually material		
Unlisted shares Asensetek Incorporation	<u>\$</u>	<u>\$ -</u>
Proportion of the Group's ownership:		
	Decem	iber 31
	2022	2021
Asensetek Incorporation	27.15%	27.15%

December 31

Due to continuous operating losses of Asensetek Incorporation, the Group has recognized the full carrying amount of the investment for impairment losses after assessing the recoverable amount in the previous year.

The Group's investments accounted for using the equity method for the years ended December 31, 2022 and 2021 and the share of profit or loss and other comprehensive income from the investments were recognized based on the unaudited financial statements, however, the Group considered that there was no significant impact on the consolidated financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machine Equipment	Molding Equipment	Leasehold Improvements	Other Equipment	Equipment to Be Inspected or under Construction	Total
Cost								
Balance at January 1,2022 Additions Disposals Reclassifications Effects of foreign currency exchange differences Balance at December 31, 2022 Accumulated depreciation and	\$ 167,176 - - - - - - - - - - - - - - - - - - -	\$ 2,497,457 3,513 (5,092) 12,200 10,640 2,518,718	\$ 3,095,473 49,620 (11,191) 12,919 19,541 3,166,362	\$ 64,935 1,397 - - - - 944 	\$ 193,808 - - - - - - - - - - - - - - - - - -	\$ 410,422 10,228 (20,286) 10,761 2,889 414,014	\$ 56,928 37,205 - (35,880) 	\$ 6,486,199 101,963 (36,569) - - - - - - - - - - - - - - - - - - -
impairment								
Balance at January 1, 2022 Depreciation expenses Disposals Reclassifications Effects of foreign currency exchange	- - -	785,819 87,136 (5,080)	1,986,389 229,297 (11,191) (7,942)	52,036 10,360	92,661 7,945 -	329,766 39,396 (20,286) 7,942	- - - -	3,246,671 374,134 (36,557)
differences Balance at December 31, 2022		5,526 873,401	17,963 2,214,516	702 63,098	3,072 103,678	3,304 360,122	<u>-</u>	30,567 3,614,815
Carrying amount at December 31, 2022	<u>\$ 167,176</u>	<u>\$ 1,645,317</u>	<u>\$ 951,846</u>	<u>\$ 4,178</u>	<u>\$ 94,704</u>	<u>\$ 53,892</u>	\$ 58,293	<u>\$ 2,975,406</u>
Cost								
Balance at January 1,2021 Additions Disposals Reclassifications Effects of foreign currency exchange differences Balance at December 31, 2021	\$ 167,176 - - - - 167,176	\$ 2,424,678 40,527 (2,161) 37,271 (2,858) 2,497,457	\$ 3,058,537 102,121 (147,329) 110,152 (28,008) 3,095,473	\$ 51,345 14,134 (354) - - - - - - - - - - - - - - - - - - -	\$ 194,471 (104) 694 (1,253) 193,808	\$ 401,305 22,006 (12,769) 2,162 (2,282) 410,422	\$ 175,163 32,074 (150,279) - (30) 56,928	\$ 6,472,675 210,862 (162,717) - - - - - - - - - - - - - - - - - - -
Accumulated depreciation and impairment								
Balance at January 1, 2021 Depreciation expenses Disposals Effects of foreign currency exchange differences Balance at December 31, 2021	- - -	704,025 85,401 (2,161) (1,446) 785,819	1,933,696 226,833 (147,111) (27,029) 1,986,389	41,824 10,723 (354) (157) 52,036	85,214 8,347 (104) (796) 92,661	298,915 45,498 (12,406) (2,241) 329,766	: :	3,063,674 376,802 (162,136) (31,669) 3,246,671
Carrying amount at December 31, 2021	<u>\$ 167,176</u>	<u>\$ 1,711,638</u>	<u>\$ 1,109,084</u>	<u>\$ 12,899</u>	<u>\$ 101,147</u>	<u>\$ 80,656</u>	<u>\$ 56,928</u>	<u>\$ 3,239,528</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings

Main buildings	10-50 years
Decorating constructions	3-50 years
Machine equipment	1-11 years
Molding equipment	1-7 years
Leasehold improvements	1-25 years
Other equipment	1-10 years

There was no indication of impairment of the property, plant and equipment for the year ended December 31, 2022 and 2021.

For information about capitalized interest for the years ended December 31, 2022 and 2021, refer to Note 22(d).

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amount		
Land	\$ 411,224	\$ 419,877
Buildings	209,614	222,561
Land use rights	42,829	43,541
Transportation equipment	220	724
Other equipment	<u>3,191</u>	3,893
	<u>\$ 667,078</u>	<u>\$ 690,596</u>
	For the Year End	ded December 31
	2022	2021
Additions to right-of-use assets	<u>\$ 1,346</u>	<u>\$ 13,161</u>
Depreciation charge for right-of-use assets		
Land	\$ 9,999	\$ 9,978
Buildings	17,201	16,712
Land use rights	1,346	1,316
Transportation equipment	518	508
Other equipment	1,095	1,027
	\$ 30,159	\$ 29,541

Except for the additions and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Group's right-of-use assets for the years ended December 31, 2022 and 2021.

b. Lease liabilities

	December 31	
	2022	2021
Carrying amount		
Current	\$ 25,930	<u>\$ 25,007</u>
Non-current	<u>\$ 652,581</u>	<u>\$ 672,798</u>
The discount rates for lease liabilities were as follows:		
	Decem	nber 31
	2022	2021
Land	1.555%	1.555%
Buildings	1.750%-4.750%	1.750%-4.750%
Transportation equipment	0.780%-1.333%	0.780%-1.333%
Other equipment	6.910%	6.910%

c. Material leasing activities and terms

The Group leases certain land and buildings for the use of plants and office spaces with lease terms of 1 to 20 years. The Group does not have bargain purchase options to acquire the leased assets at the end of the lease terms.

The Group also leases certain transportation equipment and other equipment with lease terms of 3 to 5 years. The Group does not have bargain purchase options to acquire the transportation equipment at the end of the lease terms.

Land use rights are amortized using the straight-line method over 50 years.

d. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	<u>\$ 11,546</u>	<u>\$ 10,377</u>
Expenses relating to low-value asset leases	<u>\$ 1,590</u>	<u>\$ 1,385</u>
Total cash outflow for leases	<u>\$ (50,513</u>)	<u>\$ (48,420)</u>

The Group's leases of certain office space, dormitories and parking lots qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Secured borrowings (Note 29)		
Bank loan	\$ -	\$ 148,000
<u>Unsecured borrowings</u>		
Line of credit borrowing	400,000	650,000
	<u>\$ 400,000</u>	\$ 798,000

The range of interest rates on bank loans was 2.21% and 0.60%-0.64% per annum at December 31, 2022 and 2021, respectively.

b. Long-term borrowings

	December 31	
	2022	2021
<u>Unsecured borrowings</u>		
Chinatrust Commercial Bank Less: Current portion	\$ 270,000 (82,500)	\$ 270,000
Long-term borrowings	<u>\$ 187,500</u>	\$ 270,000

In February 2021, GLT-Optical signed a non-revolving loan contract with Chinatrust Commercial Bank for total credit facilities of \$270,000 thousand, based on "Action Plan for Accelerated Investment by SMEs" by the Ministry of Economic Affairs. The period is from February 2021 to February 2024. Since the end date of the grace period is in February 2023, the principal will be repaid in each monthly installment. Furthermore, the period of loan contract was extended from November 2022 to maturity in February 2026. In accordance with the terms of the contract, the Company, the joint guarantor, shall maintain specific financial ratios in the financial statements each year during the loan period. GLT-Optical applied for interest subsidy according to the aforementioned plan. The interest rate during the subsidy period is reduced by 0.845% from the 2-year time savings deposit variable interest rate of Chunghwa Post Co., and the minimum charge is 0%; After the subsidy period expires, the interest rate will return to 2-year time savings deposit variable interest rate of Chunghwa Post Co. plus 0.255%. As of December 31, 2022 and 2021, the interest rate of the loan was 0.625% and 0% per annum, respectively.

17. OTHER PAYABLES

	December 31	
	2022	2021
Payables for salaries and bonuses	\$ 287,608	\$ 312,555
Payables for commission	27,058	41,610
Payables for purchase equipment	20,985	11,251
Payables for tax	6,704	7,620
Others	<u>84,676</u>	<u>78,216</u>
	<u>\$ 427,031</u>	<u>\$ 451,252</u>

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

GLT-Shanghai, GLT-Suzhou and GLT-Zhongshan, the Group's subsidiaries in mainland China, are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits, the contribution ratios were 16%, 16% and 14%, respectively. GLT-USA, the Group's subsidiary in U.S., allocates pension according to the 401(K) plan.

There were no pension plans for Global Lighting Technologies (Cayman), Solid State OPTO, Solid State Display, Solid State Technology, Solid State Electronics, Shining Green and Hao Yuan Technology since these companies had no regular employees.

Pension expenses for these defined contribution plans are classified under the following accounts:

	For the Year En	For the Year Ended December 31	
	2022	2021	
Operating costs	\$ 60,263	<u>\$ 53,362</u>	
Operating expenses	<u>\$ 15,651</u>	\$ 13,878	

b. Defined benefit plans

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

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

	December 31	
	2022	2021
Present value of defined benefit obligation Fair value of plan assets	\$ (16,780) 30,167	\$ (20,914)
Net defined benefit assets	<u>\$ 13,387</u>	<u>\$ 6,369</u>

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Asset
Balance at January 1, 2021 Net interest expense (income) Recognized in profit or loss Remeasurement	\$ (20,000) (100) (100)	\$ 26,220 133 133	\$ 6,220 33 33
Return on plan assets (excluding amounts included in net interest) Actuarial loss	-	331	331
Changes in demographic assumptions Experience adjustments Recognized in other comprehensive income Contributions from employer Balance at December 31, 2021 Net interest expense (income) Recognized in profit or loss Remeasurement	(487) (327) (814) ————————————————————————————————————	331 599 27,283 138 138	(487) (327) (483) 599 6,369 33 33
Return on plan assets (excluding amounts included in net interest) Actuarial gain Changes in financial assumptions Experience adjustments Recognized in other comprehensive income Contributions from employer	1,937 2,302 4,239	2,150 - - - - - - - - - - - - -	2,150 1,937 2,302 6,389 596
Balance at December 31, 2022	<u>\$ (16,780</u>)	<u>\$ 30,167</u>	<u>\$ 13,387</u>

Through the defined benefit plans under the Labor Standards Act, GLT-Taiwan is exposed to the following risks:

- a) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets of GLT-Taiwan should not be below the interest rate for a 2-year time deposit with local banks.
- b) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- c) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation of GLT-Taiwan were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	2021
Discount rate(s)	1.500%	0.500%
Expected rate(s) of salary increase	3.000%	3.000%

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

	December 31	
	2022	2021
Discount rate(s)		
0.25% increase	<u>\$ (439)</u>	<u>\$ (563)</u>
0.25% decrease	<u>\$ 456</u>	<u>\$ 587</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 442</u>	<u>\$ 563</u>
0.25% decrease	<u>\$ (428)</u>	<u>\$ (544)</u>

The sensitivity analysis previously presented may not be representative of the actual changes in the present value of the defined benefit obligations it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	2021
The expected contributions to the plan for the next year	<u>\$ 551</u>	<u>\$ 621</u>
The average duration of the defined benefit obligation	10.7 years	10.9 years

- 2) GLT-Taiwan has a survivor benefit plan, where the next-of-kin of employees that passed away on the job due to illness or other reasons will be compensated in amounts that commensurate with the employee's number of years of service with the Company. However, if the Company has already paid for the compensation for the same accident, the Company can offset the payment.
 - a) A reconciliation of the present value of other long-term employee benefits obligation is as follows:

	December 31	
	2022	2021
Present value of other long-term employee benefits obligation Fair value of plant assets	\$ 7,826 	\$ 8,591
Provisions for employee benefits	<u>\$ 7,826</u>	<u>\$ 8,591</u>

b) A reconciliation of the provision for employee benefits liabilities is as follows:

	For the Year Ended December 31	
	2022	2021
	Φ 0.701	Φ 12.011
Balance at January 1	<u>\$ 8,591</u>	<u>\$ 12,911</u>
Current service cost	1,274	2,191
Interest cost	43	65
Remeasurement		
Actuarial gain		
Changes in demographic assumptions	-	(3,741)
Changes in financial assumptions	(1,214)	-
Experience adjustments	(868)	<u>(2,835</u>)
Recognized in profit or loss	(765)	(4,320)
Balance at December 31	<u>\$ 7,826</u>	<u>\$ 8,591</u>

c) The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31		
	2022	2021	
Discount rate(s) Expected rate(s) of salary increase	1.500% 3.000%	0.500% 3.000%	

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

	December 31	
	2022	2021
Discount rate(s)		
0.25% increase	<u>\$ (266)</u>	\$ (313)
0.25% decrease	\$ 280	\$ 331
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 275</u>	<u>\$ 322</u>
0.25% decrease	<u>\$ (263)</u>	<u>\$ (307)</u>

d) Maturity analysis of employee benefits obligation was as follows:

Analysis of employee benefits obligation in the next decade

	December 31	
	2022	2021
Not later than 1 year	\$ 394	\$ 256
Later than 1 year and not later than 5 years	2,166	1,329
Later than 5 years	3,694	2,507

19. LONG-TERM DEFERRED REVENUE

In 2006 to 2008, the Group received a government grant for relocating its factory in accordance with the Suzhou government land planning policy. The subsidy was recognized as long-term deferred revenue, which is amortized and recognized as realized long-term deferred revenue over its estimated useful life (under the line item of non-operating income and expenses - other income).

Since July 2019, the Group received testing equipment donated from non-shareholders, which were recognized as long-term deferred revenue, and the realized long-term deferred revenue (under the line item of non-operating income and expense - other income) was amortized over the estimated useful life of the testing equipment.

As of December 31, 2022 and 2021, long-term deferred revenue was \$67,279 thousand and \$82,236 thousand, respectively.

The Group's realized long-term deferred revenue recognized as other income and government grants related to income are as follows:

	For the Year Ended December 31	
	2022	2021
Realized long-term deferred revenue Received from government grants related to income	\$ 17,097 	\$ 19,365
	<u>\$ 18,500</u>	<u>\$ 26,812</u>

20. EQUITY

a. Share capital - ordinary shares

	December 31	
	2022	2021
Number of shares authorized (in thousands)	<u>360,000</u>	360,000
Shares authorized	<u>\$ 3,600,000</u>	<u>\$ 3,600,000</u>
Number of shares issued and fully paid (in thousands)	128,864	<u>130,937</u>
Shares issued and fully paid	<u>\$ 1,288,641</u>	<u>\$ 1,309,371</u>

A holder of issued ordinary shares with par value of NT\$10 is entitled to vote and to receive dividends.

On February 24, 2022, the Company's board of directors resolved to cancel 2,073 thousand treasury shares and set the base date for capital reduction as February 25, 2022. Therefore, the Company decreased the ordinary share capital by \$20,730 thousand, decreased the capital surplus by \$35,386 thousand and decreased the retained earnings by \$112,679 thousand. As of December 31, 2022, the Company's paid-in capital was \$1,288,641 thousand, divided into 128,864 thousand shares with par value of NT\$10.

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Issuance of ordinary shares Expiry of employee share options Donations	\$ 2,199,672 85,068 39,702	\$ 2,235,058 85,068 39,702
May be used to offset a deficit only		
Share of changes in capital surplus of associates	23,981	23,981
	\$ 2,348,423	\$ 2,383,809

The capital surplus from shares issued in excess of par could be used to offset deficits; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years and setting aside as special reserve in accordance with the laws and regulations. The current year's distributable earnings are the current year's net profit after deduction of the aforementioned amounts plus the accumulated undistributed retained earnings. The board of directors may approve all or part of the distributable surplus in the current year to be distributed as dividends (including cash dividends or share dividends) in the current year in consideration of financial, business and other operating factors. However, dividends to be distributed for the current year should not be lower than 10% of the net profit after tax for the current year if the profit has not been used to offset losses or set aside as special reserve. Additionally, cash dividends should not be lower than 10% of the total dividends to be distributed for the current year. For policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 22(g).

When a special reserve is appropriated for cumulative net debit balance reserves from prior period during surplus distribution, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient. Before the Articles is amended, the special reserve is appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2021 and 2020, which were approved in the shareholders' meetings on May 26, 2022 and August 26, 2021, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2021	2020
Special reserve	\$ 83,514	\$ 93,330
Cash dividends	<u>\$ 644,320</u>	\$ 720,154
Cash dividends per share (NT\$)	\$ 5.0	\$ 5.5

The appropriation of earnings for 2022, which was proposed by the Company's board of directors on February 23, 2023, was as follows:

	Appropriation of Earnings
	For the Year Ended December 31, 2022
Reversals of special reserve Cash dividends Cash dividends per share (NT\$)	\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\

The appropriation of earnings for 2022 will be resolved by the shareholders in their meeting to be held on May 30, 2023.

d. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	2022	2021
Balance at January 1 Recognized for the year	\$ (344,626)	\$ (258,846)
Exchange differences on translation to the presentation currency Exchange differences on the translation of the financial	816,052	(214,049)
statements of foreign operations	<u>(491,018</u>)	128,269
Balance at December 31	<u>\$ (19,592)</u>	<u>\$ (344,626)</u>
Unrealized gain (loss) on financial assets at FVTOCI		
	2022	2021
Balance at January 1	\$ (6,085)	\$ (8,351)
Recognized for the year Unrealized gain (loss)	(18,029)	2,266
Balance at December 31	<u>\$ (24,114</u>)	<u>\$ (6,085)</u>

e. Treasury shares

	2022	2021
Number of shares at January 1	1,198	-
Buy-back during the year	875	1,198
Cancelled during the year	(2,073)	
Number of shares at December 31	-	1,198

In order to safeguard the Company's credit and shareholders' rights and interests, the Company's board of directors resolved on November 4, 2021 to repurchase 6,000 thousand ordinary shares of the Company from the centralized securities exchange market from November 5, 2021 to January 4, 2022. The repurchase price ranges from \$57.40 to \$119.50 per share. As of December 31, 2021, 1,198 thousand treasury shares have been repurchased with an amount of \$95,121 thousand. As of January 4, 2022, the Company had repurchased 875 thousand shares with a total amount of \$73,674 thousand.

On February 24, 2022, the Company's board of directors resolved to cancel of 2,073 thousand treasury shares, and set the base date for capital reduction as February 25, 2022.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

21. REVENUE

	For the Year En	nded December 31
	2022	2021
	\$ 9,698,806	\$ 10,859,573
	24,770	23,498
	\$ 9,723,576	<u>\$ 10,883,071</u>
December 31, 2022	December 31, 2021	January 1, 2021
<u>\$ 15</u>	<u>\$ 28</u>	<u>\$</u>
<u>\$ 1,859,828</u>	<u>\$ 2,470,246</u>	\$ 2,805,135
<u>\$ 26,736</u>	<u>\$ 41,599</u>	<u>\$ 47,834</u>
\$ 2.454	\$ 3.615	\$ 5,311
	\$ 15 \$ 1,859,828	\$ 9,698,806 24,770 \$ 9,723,576 December 31, 2022 December 31, 2021 \$ 15 \$ 28 \$ 1,859,828 \$ 2,470,246 \$ 41,599

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

Revenue recognized in the current year from the satisfaction of performance obligations of contract liabilities at the beginning of the year is as follows:

	For the Year Ended December 31		
	2022	2021	
From contract liabilities at the beginning of the year Sale of goods	<u>\$ 3,615</u>	<u>\$ 5,311</u>	

b. Disaggregation of revenue

	For the Year Ended December 31		
		2022	2021
Applications of light guide plates Plastic components Revenue from commission	\$	8,667,080 1,031,726 24,770	\$ 9,731,647 1,127,926 23,498
	<u>\$</u>	9,723,576	<u>\$ 10,883,071</u>

22. NET PROFIT

a. Interest income

	For the Year Ended December 31		
	2022	2021	
Bank deposits	<u>\$ 47,373</u>	<u>\$ 8,851</u>	

b. Other income

	For the Year Ended December 31		
	2022	2021	
Long-term deferred revenue allocated due to non-shareholders'			
asset donation (Note 19)	\$ 14,307	\$ 16,636	
Government grants (Note 19)	4,193	10,176	
Dividends	-	12,786	
Others	2,978	2,051	
	<u>\$ 21,478</u>	<u>\$ 41,649</u>	

The government grants included the loan of US\$207 thousand of GLT-USA which was approved by the authorized bank of Small Business Administration (SBA) in July 2020. GLT-USA has obtained the loan forgiveness in March 2021 and recognized \$5,862 thousand to other income - government grants.

c. Other gains and losses

		For the Year Ended December 31		
		2022	2021	
	Net gain (loss) on foreign currency exchange	\$ 149,841	\$ (28,581)	
	Gain on disposal of property, plant and equipment	444	13,322	
	Others	(2)	(1,337)	
			,	
		\$ 150,283	\$ (16,596)	
d.	Finance costs			
			ded December 31	
		2022	2021	
	Interest on lease liabilities	\$ 11,775	\$ 12,002	
	Interest on bank loans	6,618	6,498	
	Less: Amounts included in the cost of qualifying assets	(128)	<u>(458</u>)	
	1 7 8	/		
		<u>\$ 18,265</u>	<u>\$ 18,042</u>	
	Information about capitalized interest was as follows:			
			ded December 31	
		2022	2021	
	Capitalized interest amount	<u>\$ 128</u>	<u>\$ 458</u>	
	Capitalization rate	0.60%-2.21%	0.60%-1.305%	
e.	Depreciation			
		For the Year En	ded December 31	
		2022	2021	
	Property, plant and equipment	\$ 374,134	\$ 376,802	
	Right-of-use assets	30,159	<u>29,541</u>	
		<u>\$ 404,293</u>	<u>\$ 406,343</u>	
	An analysis of depreciation by function			
	Operating costs	\$ 327,056	\$ 327,992	
	- F			
	Operating expenses	77,237	78,351	
			78,351	
		77,237 \$ 404,293	78,351 \$ 406,343	

f. Employee benefit expenses

	For the Year Ended December 31			
	2022		2021	
Post-employment benefits (Note 18) Defined contribution plans	\$	75,914	\$	67,240
Defined benefit plans		(798)		(4,353)
Payroll expenses		855,242		908,787
Labor and health insurance expenses		71,055		64,840
Remuneration of directors		20,948		23,471
Other employee benefits		75,918		64,274
Total employee benefit expenses	<u>\$</u>	1,098,279	<u>\$</u>	<u>1,124,259</u>
An analysis of employee benefit expenses by function				
Operating costs	\$	733,384	\$	766,023
Operating expenses		364,895		358,236
	\$	1,098,279	\$	1,124,259

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates between 1% to 15% and not higher than 1.5%, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021 which have been approved by the Company's board of directors on February 23, 2023 and February 24, 2022, respectively, were as follows:

Accrual rate

	For the Year Ended December 31		
	2022	2021	
Employees' compensation	5.0%	5.0%	
Remuneration of directors	1.5%	1.5%	
Amount			
	For the Year En	ded December 31	
	2022	2021	
	Cash	Cash	
Employees' compensation	\$ 55,470	\$ 68,189	
Remuneration of directors	16,641	20,457	

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the employees' compensation and remuneration of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31		
	2022	2021	
Foreign currency exchange gains Foreign currency exchange losses	\$ 596,942 <u>(447,101)</u>	\$ 138,558 _(167,139)	
Net gain (loss)	<u>\$ 149,841</u>	<u>\$ (28,581)</u>	

23. INCOME TAXES

a. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31		
	2022	2021	
Current tax			
In respect of the current year	\$ 125,248	\$ 68,722	
Income tax on unappropriated earnings	9,241	10,236	
Adjustments for prior years	(5,673)	(4,456)	
Deferred tax			
In respect of the current year	6,371	(5,262)	
Income tax expense recognized in profit or loss	<u>\$ 135,187</u>	<u>\$ 69,240</u>	

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31			
	'	2022		2021
Profit before tax	<u>\$</u>	1,172,469	<u>\$</u>	1,344,373
Income tax expense calculated at the statutory rate (20%)	\$	234,494	\$	268,875
Nondeductible expenses in determining taxable income		12,155		10,243
Tax-exempt income		(12,965)		(6,707)
Income tax on unappropriated earnings		9,241		10,236
Unrecognized loss carryforwards and deductible temporary				
differences		95,769		73,940
Use of unrecognized loss carryforwards		(5,492)		(3,732)
Effect of different tax rate of the Group's entities operating in				
other jurisdictions		(192,342)		(279,159)
Adjustments for prior years' tax		(5,673)		(4,456)
Income tax expense recognized in profit or loss	\$	135,187	\$	69,240

The income tax rates of the entities in the Group based on the operating jurisdictions of the respective entities are as follows:

- 1) GLT-USA: 21%
- 2) GLT-Taiwan, GLT-Optical and Hao Yun Technology: 20%
- 3) GLT-Shanghai and GLT-Zhongshan: 25%
- 4) GLT-Suzhou Opto: Qualified as a high-tech enterprise, 15%

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31			
	2022	2021		
Deferred tax				
In respect of the current year Remeasurement of defined benefit plans	<u>\$ (1,278)</u>	<u>\$ 97</u>		

c. Current tax assets and liabilities

	December 31		
	2022	2021	
Current tax assets Tax refund receivable	<u>\$ 104</u>	<u>\$</u>	
Current tax liabilities Income tax payable	<u>\$ 85,562</u>	<u>\$ 71,250</u>	

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Exchange Difference	Closing Balance
Deferred tax assets					
Temporary differences Depreciation differences between financial accounting					
and taxation	\$ 17,826	\$ (2,499)	\$ -	\$ 343	\$ 15,670
Write-down of inventories Provisions for employee	15,201	(2,776)	-	99	12,524
benefits	1,718	(153)	-	-	1,565
Unrealized foreign exchange losses Refund liabilities	1,146 837	(322) (351)	-	- 9	824 495
Impairment loss recognized on property, plant and	031	(551)		,	473
equipment	704	(369)			335
	\$ 37,432	<u>\$ (6,470)</u>	<u>\$ -</u>	<u>\$ 451</u>	\$ 31,413 (Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Exchange Difference	Closing Balance
<u>Deferred tax liabilities</u>					
Temporary differences Pension expense differences between financial accounting and taxation Right to return goods	\$ 1,274 289 \$ 1,563	\$ 126 (225) \$ (99)	\$ 1,278 <u>\$ 1,278</u>	\$ (1) 2 <u>\$ 1</u>	\$ 2,677 66 \$ 2,743 (Concluded)
For the year ended December	31, 2021		Recognized		
	Opening Balance	Recognized in Profit or Loss	in Other Compre- hensive Income	Exchange Difference	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences Depreciation differences between financial accounting and taxation Write-down of inventories	\$ 18,321 8,312	\$ (402) 6,884	\$ -	\$ (93) 5	\$ 17,826 15,201
Provisions for employee benefits	2,582	(864)	_	-	1,718
Unrealized foreign exchange losses Refund liabilities Impairment loss recognized on	681 695	465 145	-	(3)	1,146 837
property, plant and equipment	1,350	(646)	-		<u>704</u>
	<u>\$ 31,941</u>	\$ 5,582	<u>\$ -</u>	<u>\$ (91</u>)	\$ 37,432
<u>Deferred tax liabilities</u>					
Temporary differences Pension expense differences between financial accounting and taxation Right to return goods	\$ 1,244 97 \$ 1,341	\$ 126 	\$ (97) <u>\$ (97)</u>	\$ 1 (2) <u>\$</u> (1)	\$ 1,274 289 \$ 1,563

e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31		
	2022	2021	
Loss carryforwards			
Expiry in 2023	\$ 11,076	\$ 10,925	
Expiry in 2024	1,932	3,249	
Expiry in 2025	17,184	17,266	
Expiry in 2026	44,599	34,457	
Expiry in 2027	55,192	33,297	
Expiry in 2028	24,863	24,863	
Expiry in 2029	21,261	21,261	
Expiry in 2030	34,020	34,020	
Expiry in 2031	45,188	37,857	
Expiry in 2032	<u>64,146</u>	_	
	<u>\$ 319,461</u>	\$ 217,195	

f. Information about unused loss carryforwards is as follows:

Company Name	Unused Amount	Expiry Year
GLT-Suzhou Opto	\$ 3,933	2025
1	7,342	2026
	2,778	2027
	<u>\$ 14,053</u>	
GLT-Zhongshan	\$ 10,716	2023
•	10,011	2025
	23,381	2026
	21,856	2027
	<u>\$ 65,964</u>	
GLT-Optical	\$ 360	2023
•	1,932	2024
	3,240	2025
	13,872	2026
	30,542	2027
	24,846	2028
	21,261	2029
	34,020	2030
	45,188	2031
	64,146	2032
	\$ 239,407	
Hao Yuan Technology	\$ 4	2026
Timo Tami Toomiology	16	2027
	<u> 17</u>	2028
	<u>\$ 37</u>	

g. Income tax assessments

Income tax returns of GLT-Taiwan, GLT-Optical and Hao Yuan Technology through 2020 have been examined and cleared by the tax authorities.

24. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding that were used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31		
	2022	2021	
Profit for the year attributable to owners of the Company	<u>\$ 1,037,282</u>	\$ 1,275,133	

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

	For the Year Ended December 31		
	2022	2021	
Weighted average number of ordinary shares used in the			
computation of basic earnings per share	128,873	130,903	
Effect of potentially dilutive ordinary shares:			
Employees' compensation	433	945	
Weighted average number of ordinary shares used in the computation of diluted earnings per share	129,306	131,848	

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. CASH FLOW INFORMATION

a. Partial non-cash transactions

In addition to those disclosed in other notes, for the years ended December 31, 2022 and 2021, the Group entered into the following partial non-cash investing activities, which were not reflected in the consolidated statements of cash flows:

1) Partial cash payments for the acquisition of property, plant and equipment

	For the Year Ended December 31		
	2022	2021	
Purchase of property, plant and equipment	\$ 101,963	\$ 210,862	
Net change in prepayments for purchases of equipment	(473)	(22,647)	
Net change in payables for purchase of equipment	(9,734)	37,433	
Cash paid	<u>\$ 91,756</u>	\$ 225,648	

2) Disposal of property, plant and equipment for partial cash received

	For the Year Ended December 31			
	2022	2021		
Disposal of property, plant and equipment Net change in other receivables from related parties	\$ 456	\$ 13,903 (941)		
Cash received	<u>\$ 456</u>	<u>\$ 12,962</u>		

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2022

			Non-cash	Changes	
	Opening Balance	Cash Flows	New Leases	Effects of Foreign Currency Exchange Differences	Closing Balance
Short-term borrowings Long-term borrowings	\$ 798,000	\$ (398,000)	\$ -	\$ -	\$ 400,000
(including current portion)	270,000	-	-	-	270,000
Lease liabilities	697,805	(25,602)	1,346	4,962	678,511
	\$ 1,765,805	<u>\$ (423,602)</u>	<u>\$ 1,346</u>	<u>\$ 4,962</u>	<u>\$ 1,348,511</u>

For the year ended December 31, 2021

	Opening Balance	Cash Flows	New Leases	Transferred to Other Income	Effects of Foreign Currency Exchange Differences	Closing Balance
Short-term borrowings Long-term borrowings (including current	\$ 860,000	\$ (62,000)	\$ -	\$ -	\$ -	\$ 798,000
portion) Lease liabilities	224,884 710,591	51,000 (24,656)	13,161	(5,862)	(22) (1,291)	270,000 697,805
	<u>\$ 1,795,475</u>	<u>\$ (35,656)</u>	<u>\$ 13,161</u>	<u>\$ (5,862)</u>	<u>\$ (1,313)</u>	<u>\$ 1,765,805</u>

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

27. FINANCIAL INSTRUMENTS

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

The management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values (or their fair values cannot be reliably measured).

- b. Fair value of financial instruments that are measured at fair value on a recurring basis
 - 1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments Foreign unlisted shares Domestic unlisted shares	\$ - 	\$ - 	\$ 184,260 <u>95,067</u>	\$ 184,260 95,067
	<u>\$</u>	<u>\$</u>	<u>\$ 279,327</u>	\$ 279,327
<u>December 31, 2021</u>				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments	\$ -	\$ -	\$ 166,080	\$ 166,080
Foreign unlisted shares Domestic unlisted shares	ф - 	ф - 	\$ 166,080 	\$ 166,080 <u>113,095</u>
	<u>\$</u>	<u>\$</u>	<u>\$ 279,175</u>	<u>\$ 279,175</u>

There were no transfers between Levels 1 and 2 for the year ended December 31,2022 and 2021.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

Financial Assets at FVTOCI
Equity
Instruments
\$ 279,175 (18,029)
<u>\$ 279,327</u>
Financial Assets at FVTOCI
Equity Instruments
mstruments
\$ 29,096
267,977
(18,267)
2,266
(1,897)

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of financial assets and financial liabilities are evaluated using the market approach based on the analysis of comparable companies and asset-based approach.

\$ 279,175

c. Categories of financial instruments

Balance at December 31, 2021

	December 31	
	2022	2021
<u>Financial assets</u>		
Financial assets at FVTOCI Financial assets at amortized cost (Note 1)	\$ 279,327 6,602,535	\$ 279,175 6,684,331
Financial liabilities		
Amortized cost (Note 2)	2,397,266	3,411,318

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, accounts receivable - related parties, part of other receivables (excluding tax refund receivable), other receivables - related parties, refundable deposits (presented in other non-current assets) and other financial assets (presented in other current and non-current assets).

Note 2: The balances include financial liabilities measured at amortized cost, which comprise accounts payable, accounts payable - related parties, part of other payables (excluding payable for short-term employee benefits, payable for commission and payable for business tax), other payables - related parties, short-term borrowings, long-term borrowings and long-term borrowings - current portion.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, equity investments, accounts receivable, accounts payable, long-term borrowings and short-term borrowings and lease liabilities. The Group's corporate treasury function monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar and the Japanese yen.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in pre-tax profit and other equity associated with the New Taiwan dollar strengthening (weakening) 5% against the relevant currency.

	U.S. Dolla	U.S. Dollar Impact		en Impact
	For the Yo	ear Ended	For the Yo	ear Ended
	Decem	December 31		ber 31
	2022	2021	2022	2021
(Loss) Profit	<u>\$ (96,391</u>)	<u>\$ (78,534</u>)	<u>\$ (134</u>)	<u>\$ (152)</u>

The result was mainly attributable to the exposure on bank deposits, accounts receivable and accounts payable in U.S. dollars and Japanese yen that were not hedged at the end of the year.

The Group's sensitivity to U.S. dollars increased during the current year due to the increase of foreign currency deposits; and the sensitivity to Japanese yen had little difference compared to 2021.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rate risk at the end of the reporting period were as follows:

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	\$ 378,710	\$ 245,455
Financial liabilities	1,078,511	1,765,805
Cash flows interest rate risk		
Financial assets	4,184,592	3,794,442
Financial liabilities	270,000	-

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the asset and liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the year ended December 31, 2022 would have increased/decreased by \$9,786 thousand, which was mainly attributable to the Group's exposure to interest rates on its demand deposits.

If interest rates had been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the years ended December 31, 2021 would have increased/decreased by \$9,486 thousand, which was mainly attributable to the Group's exposure to interest rates on its demand deposits.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in variable rate demand deposits.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher/lower, pre-tax other comprehensive income for the years ended December 31, 2022 would have increased/decreased by \$27,933 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 10% higher/lower, pre-tax other comprehensive income for the years ended December 31, 2021 would have increased/decreased by \$27,918 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to equity prices has not changed significantly from the prior year.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation, is primary from the book value of its financial assets.

The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group's credit risk is concentrated in its top 10 customers.

The Group's concentration of credit risk of 94.50% and 93.92% in total trade receivables as of December 31, 2022 and 2021, respectively, was related to the Group's ten largest customers.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants. Financial assets at fair value through other comprehensive income are exposed to liquidity risk since these assets have no active markets.

The Group manages liquidity risk by maintaining adequate bank balance and banking facilities, and continuously monitoring forecast and actual cash flows as well as the maturity profiles of financial assets and liabilities.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Group had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2022

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing Fixed interest rate liabilities Variable interest rate liabilities Lease liabilities	\$ 1,727,266 402,204 86,058 37,149	\$ - - 92,530 <u>36,962</u>	\$ - - 98,480 	\$ - - 689,091
D 1 21 2021	\$ 2,252,677	<u>\$ 129,492</u>	\$ 200,797	<u>\$ 689,091</u>
<u>December 31, 2021</u>				
	On Demand or Less than 1 Year	1-2 Years	2-5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing Fixed interest rate liabilities Lease liabilities	\$ 2,343,318 798,802 36,640	\$ - 248,919 36,404	\$ - 22,521 105,070	\$ - - 717,345
	\$ 3,178,760	<u>\$ 285,323</u>	<u>\$ 127,591</u>	<u>\$ 717,345</u>

The amount of non-derivative financial liabilities would change due to the change in the floating interest rate as compared to the interest rate estimated on the balance sheet date.

b) Financing facilities

	December 31	
	2022	2021
Secured bank loan facilities Amount used	¢	¢ 149,000
Amount unused	\$ - -	\$ 148,000 52,000
	<u>\$</u>	\$ 200,000
Unsecured bank loan facilities		
Amount used Amount unused	\$ 671,704 501,846	\$ 920,000 338,400
	<u>\$ 1,173,550</u>	\$ 1,258,400

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, transactions between the Group and other related parties are based on agreement. Details of the transactions are disclosed below.

a. The Group's related parties

Related Party	Relationship with the Group
Shinny Plastics Corp	Other related party (the chairman of the Company and the chairman of Shinny Plastics are second-degree relatives)
Tony Material LLC	Related party in substance
Wistron Corporation	Other related party (a legal entity as director of the Company)
Wistron InfoComm (Zhongshan) Corporation	Other related party (subsidiary of Wistron)
Wistron InfoComm (Chengdu) Corporation	Other related party (subsidiary of Wistron)
Weilian Electronic Technology (Zhongshan) Co., Ltd.	Other related party (subsidiary of Wistron)

b. Operating revenue

	For the Year End	led December 31
Related Party Category/Name	2022	2021
Other related parties Related party in substance	\$ 109,768 	\$ 90,906 1,292
	<u>\$ 110,512</u>	<u>\$ 92,198</u>

The sales of goods to other related parties and the related party in substance were made at prices determined based on agreement; the payment term between the Group and other related parties or the related party in substance is open account 30-120 days, and is not significantly different from transactions between the Group and non-related parties

c. Purchases of goods

	For the Year End	ded December 31
Related Party Category/Name	2022	2021
Other related parties Related party in substance	\$ 294,604 	\$ 222,102 90,157
	<u>\$ 406,690</u>	<u>\$ 312,259</u>

Purchases were made at the prices determined based on agreement with other related parties and related party in substance; the payment terms between the Group and other related parties, and between the Group and the related party in substance are within next month settlement 90 days and net 30 days, respectively, and are not significantly different from transactions between the Group and non-related parties.

d. Acquisition of property, plant and equipment

	For the Year End	led December 31
Related Party Category/Name	2022	2021
Other related parties	<u>\$ 300</u>	<u>\$ -</u>

e. Manufacturing and operating expenses

	For the Year Er	nded December 31
Related Party Category/Name	2022	2021
Related party in substance Other related parties	\$ 25,585 25,321	\$ 25,750 31,368
	<u>\$ 50,906</u>	<u>\$ 57,118</u>

The transactions were mainly the payments made for administration fees of the industrial park, utility expenses and mold charges to other related parties and related party in substance.

f. Receivables from related parties

	Decem	ber 31
Related Party Category/Name	2022	2021
Accounts receivable - related parties		
Wistron InfoComm (Zhongshan) Other related parties Related party in substance	\$ 25,579 950 207	\$ 40,956 540 <u>103</u>
	<u>\$ 26,736</u>	<u>\$ 41,599</u>

The outstanding trade receivables from related parties are unsecured. As of December 31, 2022 and 2021, the accounts receivable from related parties were not overdue. For the years ended December 31, 2022 and 2021, no impairment losses were recognized for trade receivables from related parties.

				December 31		
	Related Party Category/Name		Nature	2022	2021	
	Other receivables - related partic	<u>es</u>				
	Shinny Plastics Corp Weilian Electronic Technology	(Zhongshan)	Equipment Rental income	\$ - 	\$ 941 248	
				<u>\$ -</u>	<u>\$ 1,189</u>	
g.	Payables to related parties					
				December 31		
	Related Party Category/Name			2022	2021	
	Accounts payable - related parti	<u>es</u>				
	Shinny Plastics Corp Tony Matential LLC			\$ 115,568 38,011	\$ 116,963 9,017	
	Tony Material ELC					
				<u>\$ 153,579</u>	<u>\$ 125,980</u>	
	Other payables - related parties					
	Tony material LLC			\$ 7,291	\$ 5,436	
	Wistron InfoComm (Zhongshan Other related parties	1)		1,821 316	2,730 <u>45</u>	
				<u>\$ 9,428</u>	<u>\$ 8,211</u>	
h.	Disposal of property, plant and	equipment				
]	Proceeds For the Year Ended December 31		n Disposal	
					Year Ended mber 31	
	Related Party Category/Name		2021	2022	2021	
	Shinny Plastics Corp	<u>\$</u> -	\$ 848	<u>\$</u>	<u>\$ 848</u>	
i.	Lease arrangements					
		December 31			ıber 31	
	Line Item	Related Party	Category/Name	2022	2021	
	Lease liabilities V	Wistron InfoCo	mm (Zhongshan)	<u>\$ 219,245</u>	\$ 229,655	
					ded December 31	
	Line Item	Related Party	Category/Name	2022	2021	

The Group leases a plant from Wistron InfoComm (Zhongshan), the terms of the transaction are negotiated by both the parties and the rent is paid monthly according to the lease agreement.

\$ 3,992

\$ 4,137

Wistron InfoComm (Zhongshan)

Interest expense

i. Other income

		For the Year Ended December 31			
Related Party Category/Name	Nature	2022	2021		
Weilian Electronic Technology (Zhongshan)	Rental income	<u>\$</u>	<u>\$ 219</u>		

The rental income is from short-term rental of equipment to Weilian Electronic Technology (Zhongshan) under operating lease.

k. Remuneration of key management personnel

	For the Year Ended December 31		
	2022	2021	
Short-term employee benefits Post-employment benefits	\$ 36,957 216	\$ 44,641 324	
	<u>\$ 37,173</u>	<u>\$ 44,965</u>	

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, the import transactions in the Customs Administration, and for the lease of land from Hsinchu Science Park, Ministry of Science and Technology:

	December 31	
	2022	2021
Other financial assets - restricted assets (under other current and		
other non-current assets)	<u>\$ 17,969</u>	<u>\$ 170,375</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of December 31, 2022 were as follows:

- a. GLT-Optical and GLT-Taiwan entered into sales contracts for the purchase of equipment for \$30,800 thousand and \$18,365 thousand, respectively. Unrecognized contract commitments were \$18,480 thousand and \$1,836 thousand, respectively.
- b. Unrecognized commitments were as follows:

Guarantor	Guaranteed Person	Guarantee Amount
Company	GLT-Optical	\$820,000 thousand
Company	Solid State Electronics	US\$2,000 thousand (equivalent to approximately NT\$61,420 thousand)

31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In order to strengthen GLT-Optical's financial structure, the Company's board of directors resolved to reduce the capital with an amount of \$600,000 thousand to offset a deficit on February 23, 2023. Meanwhile, in order to strengthen GLT-Optical's financial structure and in consideration of its future operational development needs, the Company's board of directors resolved to increase investment in an amount of \$600,000 thousand in GLT-Optical on February 23, 2023.

In consideration of the Group's operational development needs, the Company's board of directors resolved the Vietnam investment project on February 23, 2023. The total investment amount is expected to be US\$30,000 thousand and will be invested in stages based on the group's funds and the progress of establishing the plant.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

(In Thousands of New Taiwan Dollars and Foreign Currencies)

December 31, 2022

	Foreign Currency		Exchange Rate	Carrying Amount	
			Exchange Nate	Amount	
Financial assets					
Monetary items					
USD	\$	50,263	30.7100 (USD:NTD)	\$ 1,543,575	
USD		43,238	6.9646 (USD:RMB)	1,327,852	
JPY		9,029	0.2324 (JPY:NTD)	2,098	
JPY		2,493	0.0076 (JPY:USD)	579	
Financial liabilities					
Monetary items					
USD		943	30.7100 (USD:NTD)	28,950	
USD		29,784	6.9646 (USD:RMB)	914,659	

December 31, 2021

	oreign ırrency	Exchange Rate	Carrying Amount	
Financial assets				
Monetary items				
USD	\$ 40,372	27.6800 (USD:NTD)	\$ 1,117,495	
USD	57,193	6.3674 (USD:RMB)	1,583,101	
JPY	10,186	0.2405 (JPY:NTD)	2,450	
JPY	2,493	0.0087 (JPY:USD)	600	
Financial liabilities				
Monetary items				
USD	2,266	27.6800 (USD:NTD)	62,734	
USD	38,554	6.3674 (USD:RMB)	1,067,180	
JPY	52	0.2405 (JPY:NTD)	13	

For the years ended December 31, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were \$149,841 thousand and \$(28,581) thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

33. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and investees:
 - 1) Financing provided to others: Table 1 (attached)
 - 2) Endorsements/guarantees provided: Table 2 (attached)
 - 3) Marketable securities held (excluding investment in subsidiaries): Table 3 (attached)
 - 4) Marketable securities acquired or disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital: None
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5 (attached)
 - 9) Trading in derivative instruments: None
 - 10) Intercompany relationships and significant intercompany transactions: Table 8 (attached)
- b. Information on investees (Table 6) (attached)

- c. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7 (attached)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 8 (attached)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (attached)
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (attached)
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9) (attached)

34. SEGMENT INFORMATION

The Group's reportable segments as follows:

- a. Department of light guide plates applications: Provide the service of manufacturing and sales of related application products such as light guide plates.
- b. Department of plastic components: Provide the service of design, manufacturing and sales of plastic components

Reportable segment income and loss is measured by pre-tax other comprehensive income (non-operating income and expense and income tax expenses are excluded). The amount is for chief operational decision makers to determine the allocation of resources to each department and evaluate the performance of each department.

Since the information on the segment assets and liabilities was not provided to the operational decision makers for reference or for decision-making purposes, the segment assets and liabilities were not disclosed.

c. Segment revenue and results

	Department of Light Guide Plates Applications	Department of Plastic Components	Eliminations	Total
For the year ended December 31, 2022				
Revenue Revenue from external customers Inter-segment revenue	\$ 8,667,080 	\$ 1,056,496 	\$ - -	\$ 9,723,576
Total revenue	<u>\$ 8,667,080</u>	<u>\$ 1,056,496</u>	<u>\$</u>	\$ 9,723,576
Segment income	\$ 919,267	\$ 52,333		\$ 971,600
Non-operating income and expenses				200,869
Profit before tax (continuing operations)				<u>\$ 1,172,469</u>
For the year ended December 31, 2021				
Revenue				
Revenue from external customers	\$ 9,731,647	\$ 1,151,424	\$ -	\$ 10,883,071
Inter-segment revenue				
Total revenue	\$ 9,731,647	<u>\$ 1,151,424</u>	<u>\$</u>	\$ 10,883,071
Segment income Non-operating income and	<u>\$ 1,242,452</u>	<u>\$ 86,059</u>		\$ 1,328,511
expenses				15,862
Profit before tax (continuing				
operations)				<u>\$ 1,344,373</u>

d. Geographical information

The Group operates in two principal geographical areas for the years ended December 31, 2022 and 2021 - Asia and America.

The Group's revenue from external customers by location is detailed below:

			om External omers
	For	the Year En	ded December 31
		2022	2021
Asia America	\$	9,270,068 400,502	\$ 10,403,592 427,445
Others		53,006	52,034
	<u>\$</u>	9,723,576	\$ 10,883,071

e. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year En	ded December 31
	2022	2021
Customer A	\$ 3,702,455	\$ 4,236,249
Customer B	2,733,681	3,242,252
Customer C	993,744	1,079,024

FINANCING PROVIDED TO OTHERS FOR THE YEAR ENDED DECEMBER 31, 2022 (In Thousands of New Taiwan Dollars)

													Colla	ateral	Financing	
No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed (Note 3)	Interest Rate (%)	Nature of Financing (Note 1)	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Item	Value	Financing Limit for Each Borrower (Note 2)	Company's Aggregate Financing Limits (Note 2)
1	GLT-Suzhou Opto	GLT-Shanghai	Other receivables - related parties, current portion	Yes	\$ 44,184	\$ 44,118	\$ 44,118	1.75	b	\$ -	Operating turnover	\$ -	-	\$ -	\$ 632,640	\$ 632,640
		GLT-Zhongshan	Other receivables - related parties, current portion	Yes	35,294	35,294	35,294	1.75	b	-	Operating turnover	-	-	-	632,640	632,640
2	GLT-Taiwan	GLT-Optical	Other receivables - related parties, current portion	Yes	350,532	251,905	251,905	0.80	b	-	Operating turnover	-	-	-	1,078,285	1,078,285
3	Solid State OPTO	GLT-Optical	Other receivables - related parties, current portion	Yes	208,828	208,828	208,828	-	b	-	Operating turnover	-	-	-	639,123	639,123
4	GLT-USA	GLT-Optical	Other receivables - related parties, current portion	Yes	231,059	231,059	231,059	0.22-3.20	b	-	Operating turnover	-	-	-	363,121	363,121
5	Solid State Technology	GLT-Optical	Other receivables - related parties, current portion	Yes	276,390	276,390	276,390	-	b	-	Operating turnover	-	-	-	2,152,023	2,152,023

Note 1: The nature of financing is numbered as follows:

- a. Business relationship
- b. Short-term financing needs

Note 2: The aggregate financing limit of loans made from the parent company to its subsidiaries in which the parent company directly or indirectly holds 100% of the voting shares is limited to 40% of the parent company's net worth based on its latest audited or reviewed financial statements. For loans made between offshore subsidiaries (excluding subsidiaries in the Republic of China) in which the parent company directly or indirectly holds 100% of the voting shares, the financing limit is 80% of the lender's net worth based on its latest audited or reviewed financial statements. For loans made from offshore subsidiaries to each borrower in which the parent company holds, directly or indirectly, 100% of the voting shares is limited to 80% of the parent company's net worth based on its latest audited or reviewed financial statements. For loans made from the lender to its ultimate parent company, both the aggregate financing limit for each borrower is both 40% of the lender's net worth based on its latest audited or reviewed financial statements. The financing limit for each borrower is the lender's aggregate financing limit.

Note 3: All intercompany transactions have been eliminated upon consolidation.

ENDORSEMENTS/GUARANTEES PROVIDED FOR THE YEAR ENDED DECEMBER 31, 2022 (In Thousands of New Taiwan Dollars)

		Endorsee/G	Suarantee						Ratio of				
No.	Endorser/Guarantor	Name	Relationship	Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 2)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 2)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 2)
0	Global Lighting Technologies Inc		Subsidiary of Global Lighting Technologies Inc. Subsidiary of Global Lighting Technologies Inc.	\$ 2,475,530 2,475,530	\$ 1,020,000 61,420	\$ 1,020,000 61,420	\$ 670,000 1,704	\$ - -	12.36 0.74	\$ 4,125,883 4,125,883	Y Y	-	-
1	GLT-Taiwan	GLT-Optical	Subsidiary of Global Lighting Technologies Inc.	2,291,355	1,120,000	-	-	-	-	2,291,355	-	-	-
2	GLT-Taiwan	Solid State Electronics	Subsidiary of Global Lighting Technologies Inc.	2,291,355	61,420	-	-	-	-	2,291,355	-	-	-

Note 1: The parent company can provide endorsements/guarantees to subsidiaries in which the parent company directly or indirectly holds more than 90% of the voting shares, and the amount of endorsement/guarantee should not exceed 10% of the parent company's net worth. The above limit on endorsement/guarantee is not applicable to subsidiaries in which the parent company directly or indirectly holds 100% of the voting shares. The limit of overall endorsement/guarantee of the Company and its subsidiaries is 50% of the Company's net worth based on its most recent audited or reviewed consolidated financial statements. The amount of endorsement/guarantees provided by GLT-Taiwan to the ultimate parent company and the subsidiaries in which the ultimate parent company directly holds 100% of the voting rights and the limit for a single endorsement shall not exceed 85% of the net worth of GLT-Taiwan's lately audited or reviewed financial statements.

Note 2: Y is indicated for endorsements/guarantees provided by parent companies (listed companies) for its subsidiaries, endorsements/guarantees provided by subsidiaries for their parent companies) and endorsements/guarantees provided for companies in mainland China.

Note 3: The Company provided endorsements/guarantees for GLT-Optical's bank loans. The table above details the information on endorsements/guarantees provided for GLT-Optical's loans from three different banks.

MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

		Relationship			I	December 31, 202	2	
Holding Company Name	Type and Name of Marketable Securities	with the Holding	Financial Statement Account	Number of	Carrying	Percentage of	Fair Value	Note
		Company		Shares	Amount	Ownership (%)	(Note)	11010
	Shares Sensel Inc.	-	Financial assets at fair value through other comprehensive income - non-current (FVTOCI)	1,470,227	\$ 184,260	7.21	\$ 184,260	
	Shares Top Taiwan XIII Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current (FVTOCI)	10,000,000	86,800	11.63	86,800	
	Shares Chi Lin Optoelectronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current (FVTOCI)	782,843	8,267	3.43	8,267	

Note: Unlisted equity investments are evaluated using the market approach based on the analysis of comparable companies and asset-based approach.

TOTAL PURCHASES FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship		Transa	ction Detail	s	Abnormal	Transaction	Notes/Accounts Receive	•	Note
Company Name	Related Party	(Note 1)	Purchases/ Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
GLT-Shanghai	Solid State OPTO	b	Sales	\$ (3,760,745)	50	Open account 120 days	Based on agreement	Based on agreement	\$ 1,450,173	64	Note 2
Solid State OPTO	GLT-Shanghai	b	Purchases	3,760,745	94	Open account 120 days	Based on agreement	Based on agreement	(1,450,173)	94	Note 2
Solid State Technology	GLT-Shanghai	b	Sales	(3,473,371)	100	Open account 60 days	Based on agreement	Based on agreement	871,509	100	Note 2
GLT-Shanghai	Solid State Technology	b	Purchases Purchases	3,473,371	55	Open account 60 days	Based on agreement	Based on agreement	(871,509)	48	Note 2
Solid State OPTO	GLT-USA	b	Sales	(366,349)	9	Open account 60 days	Based on agreement	Based on agreement	70,019	12	Note 2
GLT-USA	Solid State OPTO	b	Purchases Purchases	366,349	100	Open account 60 days	Based on agreement	Based on agreement	(70,019)	100	Note 2
GLT-Taiwan	Solid State Technology	b	Sales	(339,863)	20	Open account 60 days	Based on agreement	Based on agreement	93,601	19	Note 2
Solid State Technology	GLT-Taiwan	b	Purchases Purchases	339,863	14	Open account 60 days	Based on agreement	Based on agreement	(93,601)	20	Note 2
GLT-Taiwan	Solid State OPTO	b	Sales	(252,629)	15	Open account 60 days	Based on agreement	Based on agreement	80,640	16	Note 2
Solid State OPTO	GLT-Taiwan	b	Purchases	252,629	6	Open account 60 days	Based on agreement	Based on agreement	(80,640)	5	Note 2
GLT-Suzhou Opto	GLT-Taiwan	b	Sales	(210,954)	48	Open account 120 days	Based on agreement	Based on agreement	51,809	43	Note 2
GLT-Taiwan	GLT-Suzhou Opto	b	Purchases Purchases	210,954	15	Open account 120 days	Based on agreement	Based on agreement	(51,809)	15	Note 2
GLT-Suzhou Opto	Solid State Display	b	Sales	(119,495)	27	Open account 120 days	Based on agreement	Based on agreement	33,557	28	Note 2
Solid State Display	GLT-Suzhou Opto	b	Purchases	119,495	93	Open account 120 days	Based on agreement	Based on agreement	(33,557)	97	Note 2
GLT-Optical	GLT-Taiwan	b	Sales	(105,929)	50	Open account 60 days	Based on agreement	Based on agreement	16,292	45	Note 2
GLT-Taiwan	GLT-Optical	b	Purchases	105,929	8	Open account 60 days	Based on agreement	Based on agreement	(16,292)	5	Note 2
GLT-ZhongShan	Wistron InfoComm (Zhongshan) Corporation	d	Sales	(102,569)	55	Open account 90 days	Based on agreement	Based on agreement	24,912	64	

(Continued)

Note 1: The relationships with related parties are divided into the following four types:

- a. Parent company to subsidiaryb. Subsidiary to subsidiaryc. Subsidiary to parent companyd. Subsidiaries to non-related parties within the Group

Note 2: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

			Ending Balance	Turnover	Ove	rdue	Amounts Received	Allowance for
Company Name	Related Party	Relationship	(Note 1)	Rate	Amount	Actions Taken	in Subsequent Period	Impairment Loss
Solid State Technology	GLT-Shanghai	Subsidiary to subsidiary	\$ 871,509	3.56	\$ -	\$ -	\$ 632,395	\$ -
GLT-Shanghai	Solid State OPTO	Subsidiary to subsidiary	1,450,173	2.80	-	-	843,074	-
GLT-USA	GLT-Optical	Subsidiary to subsidiary	231,059	Note 2	-	-	-	-
Solid State OPTO	GLT-Optical	Subsidiary to subsidiary	208,828	Note 2	-	-	-	-
Solid State Technology	GLT-Optical	Subsidiary to subsidiary	276,390	Note 2	-	-	153,550	-
GLT-Taiwan	GLT-Optical	Subsidiary to subsidiary	251,905	Note 2	-	-	251,905	-

Note 1: All intercompany transactions have been eliminated upon consolidation.

Note 2: It is mainly due to other receivables - current portion, so the calculation of turnover rate is not applicable.

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE FOR THE YEAR ENDED DECEMBER 31,2022

(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

					Investme	ent Amo	ount	De	ecember 31, 20	022		Not I	ncome	Shore	of Profit	
Investor Company	Investee Company	Location	Main Businesses and Products De		December 31, December 2022 2021		December 31, Number of Shares		% Carryii Amoui (Notes 1 a			(Loss) of the Investee		(Loss) (Notes 1 and 2)		Note
Global Lighting Technologies Inc.	Solid State OPTO	British Virgin Islands	Holding company engaged in the sale of products	\$ (US\$	305,570 9,950	\$ (US\$	305,570 9,950)	9,950,167	100.00	\$ (US\$	798,903 26,014)	\$ (US\$	14,834 497)	\$ (US\$	14,834 497)	
	Solid State Display	British Virgin Islands	Holding company engaged in the sale of products		1,079,277	(US\$	1,079,277	35,144,141	100.00		2,753,971		288,608 9,669)		285,176 9,554)	
	Solid State Technology	British Virgin Islands	Holding company engaged in the sale of products	(US\$	330,133 10,750)		330,133 10,750)	10,750,000	100.00	,	2,486,357 80,962)	1,	,091,722 36,575)	1	,107,259 37,095)	
	Solid State Electronics	British Virgin Islands	Holding company engaged in the sale of products	(US\$	201,488 6,561)	(US\$	201,488 6,561)	6,561,000	100.00	(US\$	1,540,806 50,173)	(US\$	173,194 5,802)	(US\$	162,296 5,437)	
	Shining Green	Independent state of Samoa	Holding company	(US\$	460,650 15,000)	(US\$	460,650 15,000)	15,000,000	100.00	(US\$	147,223 4,794)	(US\$	(89,586) (3,001))	(US\$	(88,193) (2,955))	
	GLT-Optical	Republic of China	Design, production, and sales of applications of light guide plates		850,894		500,894	85,089,400	100.00	(US\$	221,651 7,218)		(367,051) (12,297))		(366,511) (12,297))	
Solid State OPTO	GLT-USA	United States	Design and sales of applications of light guide plates	(US\$	222,566 7,247)		222,566 7,247)	100	100.00	(US\$	453,901 14,780)	(US\$	20,770 696)	(US\$	20,770 696)	
Solid State Display	GLT-Taiwan	Republic of China	Design, production, and sales of applications of light guide plates, design and production of optical molds, and sales of plastic products for electronic components		1,115,200		1,115,200	111,519,956	100.00	(US\$	2,695,712 87,780)	(US\$	275,965 9,245)	(US\$	275,965 9,245)	
GLT-Taiwan	Hao Yuan Technology	Republic of China	Investment industry; wholesale and retail sale of electronic materials		15,991		15,991	1,400,000	100.00		8,635		35		35	
	Asensetek Incorporation	Republic of China	Manufacturing and selling of optical and precision equipment, electronic components, motors and electronic machinery		14,430		14,430	728,500	27.15		-		(12,578)		-	Note 3

Note 1: Calculated based on the investee's financial statements that have been audited by us for the same period, having taken into account the effect of unrealized gain or loss on intercompany transactions.

Note 2: All intercompany transactions have been eliminated upon consolidation.

Note 3: Investment income (loss) was calculated based on financial statements which have not been audited.

INFORMATION ON INVESTMENT IN MAINLAND CHINA FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

				Accumulated	Remittanc	e of Funds	Accumulated		0/		a .	Accumulated
Investor Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Outward Remittance for Investment from Taiwan as of January 1, 2022	Outflow	Inflow	Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of December 31, 2022 (Notes 2 and 3)	Repatriation of Investment Income as of December 31, 2022
GLT-Shanghai	Design, production, and sales of applications of light guide plates and monitor, design of optical molds, and production and sales of plastic products for electronic use		b.	\$ 614,200 (US\$ 20,000)	\$ -	\$ -	\$ 614,200 (US\$ 20,000)	\$ 170,549	100	\$ 170,549	\$ 1,542,891	\$ -
GLT-Suzhou Opto	Design, production, and sales of applications of light guide plates and monitor, design of optical molds, and production and sales of plastic products for electronic use		b.	651,052 (US\$ 21,200)	-	-	651,052 (US\$ 21,200)	36,113	100	36,113	790,800	-
GLT-Zhongshan	Production, and sales of applications of light guide plates	460,650 (US\$ 15,000)	b.	460,650 (US\$ 15,000)	-	-	460,650 (US\$ 15,000)	(89,586)	100	(89,586)	149,121	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$1,725,902 (US\$56,200 thousand)	Not applicable	Not applicable

- Note 1: Investments are divided into three categories as follows:
 - a. Direct investment
 - b. Indirect investment through a holding company registered in a third region
 - c. Others
- Note 2: Calculated based on the investee's financial statements that have been audited by us for the same period.
- Note 3: All intercompany transactions have been eliminated upon consolidation.

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

			Flow of	Transaction Details							
No. (Note 1)	Company	Counterparty	Transactions (Note 2)	Financial Statement Account	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)				
1	Solid State Electronics	GLT-Zhongshan	c	Accounts receivable	\$ 1,935	Open account 60 days	-				
			c	Sales	17,545	Based on agreement	-				
		GLT-Shanghai		Accounts receivable	195	Open account 60 days	-				
				Sales	556	Based on agreement	-				
		GLT-Suzhou Opto		Accounts receivable	77	Open account 60 days	-				
			c	Sales	75	Based on agreement	-				
2	Solid State OPTO	GLT-USA	c	Accounts receivable	70,019	Open account 60 days	1				
				Sales	366,349	Based on agreement	4				
		GLT-Optical	c	Accounts receivable - current portion	208,828	Terms of financing	2				
3	Solid State Technology	GLT-Shanghai	c	Accounts receivable	871,509	Open account 60 days	7				
			c	Other receivables	159	Open account 60 days	-				
				Sales	3,473,371	Based on agreement	36				
		GLT-Optical	c	Accounts receivable - current portion	276,390	Terms of financing	2				
4	Solid State Display	GLT-Shanghai	С	Sales	1,744	Based on agreement	-				
5	GLT-Shanghai	Solid State OPTO	c	Accounts receivable	1,450,173	Open account 120 days	12				
				Sales	3,760,745	Based on agreement	39				
		GLT-Taiwan		Accounts receivable	10,284	Open account 120 days	-				
				Sales	24,934	Based on agreement	-				
		Solid State Display		Accounts receivable	58	Open account 60 days	-				
			c	Sales	60	Based on agreement	-				
6	GLT-Zhongshan	GLT-Taiwan		Accounts receivable	11,719	Open account 120 days	-				
				Sales	75,151	Based on agreement	1				
		GLT-Suzhou Opto		Accounts receivable	208	Open account 60 days	-				
				Sales	1,957	Based on agreement	-				
		GLT-Optical	С	Gain on disposal of property, plant and equipment	135	-	-				
		Solid State Display		Accounts receivable		Open account 60 days	-				
			c	Sales	1,123	Based on agreement	-				
7	GLT-Taiwan	GLT-Shanghai		Other receivables	307	Open account 60 days	-				
		GLT-Optical	С	Sales	149	Based on agreement	-				
			С	Interest revenue	2,437	Based on agreement	-				
			c	Accounts receivable - current portion	251,905	Terms of financing	2				

(Continued)

No. (Note 1) Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
			Financial Statement Account	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
	Solid State OPTO	С	Accounts receivable	\$ 80,640	Open account 60 days	1
	Solid State Of TO		Sales	252,629	Based on agreement	3
	Solid State Technology		Accounts receivable	93,601	Open account 60 days	1
	Some State Teenhology		Sales	339,863	Based on agreement	3
	GLT-Suzhou Opto		Sales	909	Based on agreement	-
	GLT-Zhongshan		Other receivables	98	Open account 60 days	_
			Sales	20	Based on agreement	_
	Solid State Display		Sales	4,598	Based on agreement	-
8 GLT-Suzhou Opto	GLT-Taiwan	С	Accounts receivable	51,809	Open account 120 days	-
		c	Sales	210,954	Based on agreement	2
	Solid State Display	c	Accounts receivable	33,557	Open account 120 days	-
		c	Sales	119,495	Based on agreement	1
	Solid State OPTO	c	Accounts receivable	7,503	Open account 120 days	-
			Sales	19,212	Based on agreement	-
	GLT-Shanghai	c	Accounts receivable - current portion	44,118	Terms of financing	-
		c	Interest revenue	478	Based on agreement	-
	GLT-Zhongshan	c	Accounts receivable - current portion	35,294	Terms of financing	-
		С	Interest revenue	66	Based on agreement	-
9 GLT-Optical	GLT-Taiwan		Accounts receivable	16,292	Open account 60 days	-
			Sales	105,929	Based on agreement	1
	GLT-Zhongshan		Accounts receivable	12,110	Open account 60 days	-
			Other receivables	46	Open account 60 days	-
			Sales	87,197	Based on agreement	1
	GLT-Suzhou Opto		Accounts receivable	6,030	Open account 60 days	-
			Sales	46,023	Based on agreement	-
	Solid State Display	С	Sales	879	Based on agreement	-
10 GLT-USA	GLT-Optical	С	Interest revenue	876	Based on agreement	-
		С	Accounts receivable - current portion	231,059	Terms of financing	2

Note 1: Companies are numbered as follows:

- a. The number of Global Lighting Technologies Inc. ("Topoint") is numbered as "0"
- b. Subsidiaries are numbered from "1" onward

Note 2: The flow of transactions is as follows:

- a. From GLT-Cayman to the subsidiary
- b. From the subsidiary to GLT-Cayman
- c. Between subsidiaries

Note 3: If the transaction amounts are related to the balance sheet accounts, the percentages are those of the year-end balances to the consolidated total assets. If the transaction amounts are related to the income statement accounts, the percentages are the total amounts of the year to the consolidated total sales.

Note 4: Eliminated from the consolidated financial statements.

(Concluded)

GLOBAL LIGHTING TECHNOLOGIES INC.

INFORMATION OF MAJOR SHAREHOLDERS DECEMBER 31, 2022

	Shares		
Name of Major Shareholder	Number of Shares	Percentage of Ownership (%)	
Lumina Global Limited Wistron Corporation	30,005,393 20,914,430	23.28 16.22	

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter.



Chairman: Mang-Shiang Lee

