

Stock Code 4935



Global Lighting Technologies Inc.

2023 Annual Report

Printed on March 31, 2024

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>

1. Name, Title, Telephone Number, and E-mail Address of Spokesperson and Deputy Spokesperson:

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Address: 1468 Tingwei Road, Shanyang Town, Jinshan District, Shanghai, China
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- (4) Suzhou Opto Technologies Inc.
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Tel: 86-512-6825-6433
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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
Chairman	Mang-Shiang Lee	R.O.C.	CEO, Global Lighting Technologies Inc. Chairman, Shinny Plastics Corp. EMBA, Scientific Management Group, National Chengchi University Department of Chemistry, Chung Yuan Christian University
Director	Wistron Corporation	R.O.C.	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
	Representative: Jiann-Shiun Lin		
Director	Tzu-Hsin Chang	R.O.C.	General Manager, Cheng Sung Co., Ltd. Adviser, Wistron Corporation Department of Automatic Control, Feng Chia University
Director	Ching-Ling Wang	R.O.C.	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
Independent Director	Su-Lee Wen Tsai	R.O.C.	Founding Dean, College of Fashion & Textiles, Fu-Jen Catholic University PhD in Technology and Management, Rensselaer Polytechnic Institute
Independent Director	Ho-Hsiang Hsu	R.O.C.	Chairman, Chen Hsiang Co., Ltd. Department of Industrial Electrical Engineering, Lunghwa Institute of Technology

Title	Name	Nationality	Education and Work Experiences
Independent Director	Ching-Yi Chang	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

In 2023, the Company's operations were affected by global inflation, and market volatility resulted in increased uncertainty in orders. However, GLT-Taiwan maintained a proactive approach by enhancing operational efficiency, mitigating the impact of the economic situation on the company, and strengthening market research and customer communication. The Company is gradually adapting its business strategy.

I. Consolidated Operating Performance for the Year Ended December 31, 2023

The consolidated operating revenue of Global Lighting in 2023 was NT\$5.9 billion, and the consolidated gross margin was NT\$880 million; The consolidated net profit after tax was NT\$330 million, with after-tax earnings of NT\$2.57 per share.

II. Business and R&D Achievements

The impact of inflation has caused a decline in the global demand for consumer electronics products, and there are no visible signs of recovery. Alongside maintaining long-term cooperative relationships with customers, the company is proactively expanding its sales targets and exploring new applications beyond consumer products, in anticipation of future growth when the economy recovers.

In 2023, we invested NT\$250 million in research and development expenses and NT\$90 million in capital expenditure to continuously enhance the core competitiveness of optical design and precision manufacturing. We have introduced advanced processes to improve our existing products and achieve higher optical specifications. Additionally, we are strengthening our module design and automated production capabilities, expanding the range of technical applications by integrating light guide plates with other module materials, and offering comprehensive product solutions to our customers.

III.A Summary of the Business Plan for 2024

GLT-Taiwan closely monitors changes in the economic environment and consumer market, continuously developing new customers and new products using existing technologies. It actively expands its technology to other fields of application to minimize the impact of specific regions or markets. The main areas of focus are follows:

1. Through strategic investments and collaborations, our objective is to develop new applications for our products.
2. Improve the capacity for module design and manufacturing in order to market high-value-added module products.
3. We are actively implementing intelligent and automated production to align with the future global manufacturing layout.
4. Consistently improve the structure of the sales products to enhance the profitability of the company.

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

The market demand is constantly changing due to the emergence of new technologies. The Company will continue to nurture talent and innovate new technologies and processes to address market challenges and competition from peers. Additionally, it will implement a stronger strategy to navigate the uncertainties of global economic fluctuations and recovery.

Sustainable development has become a crucial objective for business operations. Our Company actively participates in green manufacturing, taking into account the principles of circular economy, energy conservation, and carbon reduction in our product design and production processes. In addition to meeting customer product specifications and complying with environmental regulations set by different countries, we are committed to making a positive contribution to environmental sustainability.

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. 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. In 2023, GLT-Taiwan merged with GLT-Optical and became the surviving company under the name GLT-Taiwan. In the same year, Global Lighting Technologies (Vietnam) Limited Liability Company (hereinafter referred to as "GLT-Vietnam") was established in Vietnam to handle product manufacturing. Please refer to page 111 to page 114 of this Annual Report for related risks and group structure of the Company.

2.2 Company history

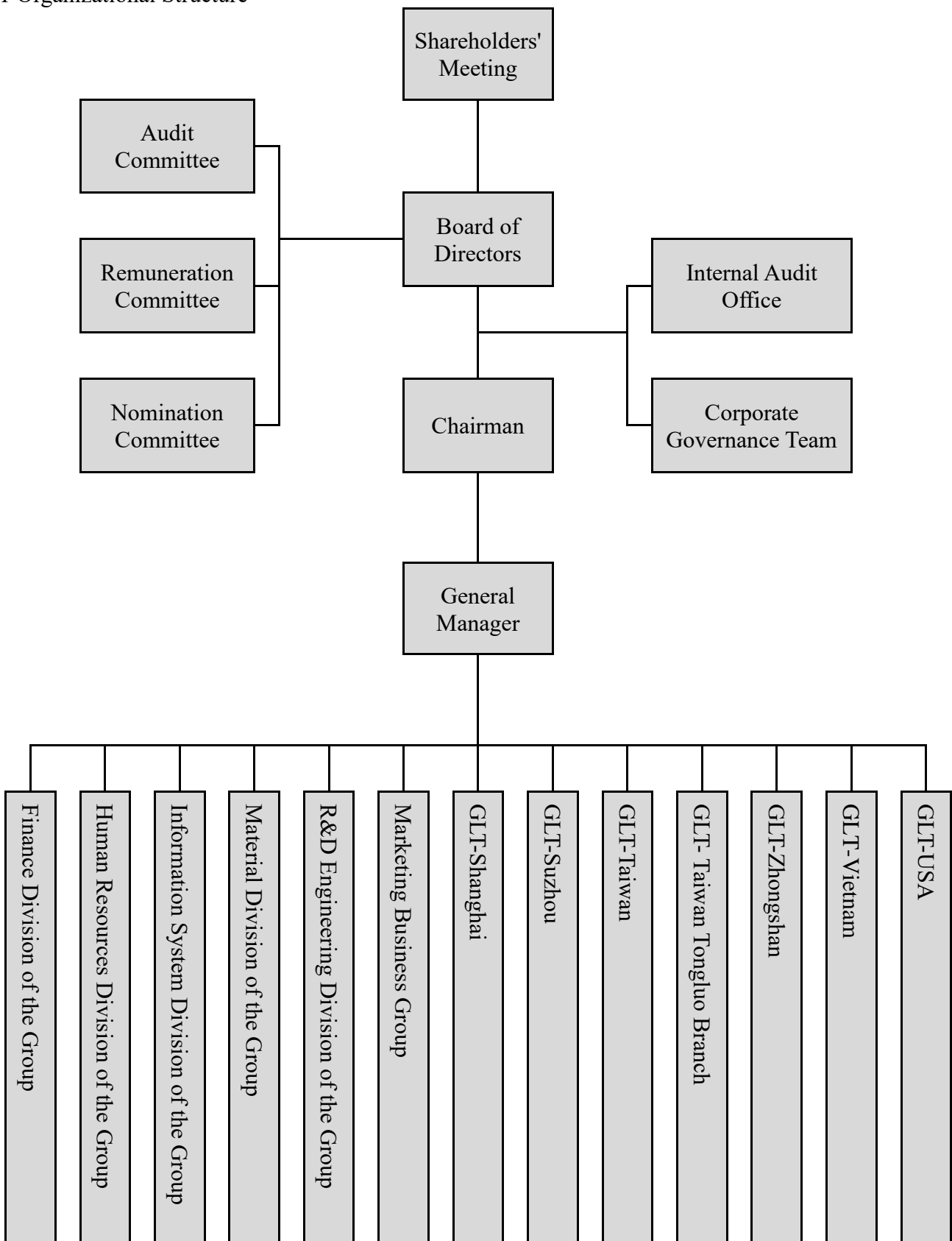
<u>Date</u>	<u>Important Events</u>
07/2000	The Company was incorporated in the Cayman Islands.
08/2000	The Company acquired equity interest in GLT-Suzhou.
08/2000	The Company acquired equity interest in GLT-Shanghai.
09/2000	Established GLT-USA by taking over the R&D and sales team from Lumitex.
11/2000	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.
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.
04/2015	The TV light guide board achieved success in cultivating the mainland China market and was awarded the "Excellent Supplier Award" by Skyworth RGB Electronics Co., Ltd.
06/2017	The new factory of GLT-Optical was completed and the intelligent production line was put into operation.
07/2018	GLT-Suzhou Opto merged with GLT-Suzhou, and after the merger, GLT-Suzhou Opto became the surviving company.
09/2019	Developed high-efficiency light guide film and started mass production and shipment.
04/2020	Donated intubation protective boxes to Taoyuan Hospital, Taipei Tri-Service General Hospital, National Defense Medical Center, National Taiwan University

<u>Date</u>	<u>Important Events</u>
	Hospital, and Shuang Ho Hospital.
05/2020	Selected as a component of the MSCI World Small Cap Index.
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.
05/2022	Donated epidemic prevention kits to Shin Kong Wu Ho-Su Memorial Hospital.
10/2022	Donated e-books to the Education Department of Penghu County.
08/2023	GLT-Taiwan Tongluo Branch was incorporated.
09/2023	GLT-VN was incorporated.
11/2023	GLT-Taiwan merged with GLT-Optical, and after the merger, GLT-Taiwan became the surviving company.
12/2023	The registered capital of GLT-Suzhou Opto reduced to US\$13.2 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-Taiwan Tongluo Branch	Manufacturing.
GLT-Vietnam	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	Nationality or Place of Registration	Name	Gender Age	Date Elected (Appointed)	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Other Persons		Education and Work Experience	Positions Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remarks
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relation	
Chairman	R.O.C.	Mang-Shiang Lee	Male 61~70 years old	26/5/2022	3 years	28/7/2000	2,541,320	1.97%	2,578,320	2.00%	600,000	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	-	26/5/2022	3 years	21/9/2010	20,914,430	16.23%	20,914,430	16.23%	-	-	-	-	-	-	None	None	None	None
Corporate Director Representative:	R.O.C.	Jiann-Shiun Lin	Male 51~60 years old	26/5/2022	3 years	24/6/2019	-	-	-	-	-	-	-	-	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

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Appointed)	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Other Persons		Education and Work Experience	Positions Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remarks
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relation	
Director	R.O.C.	Tzu-Hsin Chang	Male 61~70 years old	26/5/2022	3 years	14/6/2016	-	-	-	-	-	-	-	-	General Manager, Cheng Sung Co., Ltd. Adviser, Wistron Corporation Department of Automatic Control, Feng Chia University	Note 3	None	None	None	None
Director	R.O.C.	Ching-Ling Wang	Male 61~70 years old	26/5/2022	3 years	26/5/2022	-	-	-	-	-	-	-	-	Director, Shanghai Global Lighting Technologies Inc. Director, Suzhou Opto Technologies Inc. General Manager, Global Lighting Technologies Inc. Plant Manager, Shiny Plastics Corp. EMBA, Pacific Western University (undergraduate) Department of Mechanical Engineering, Nan Jeon Institute of Technology	-	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Appointed)	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Other Persons		Education and Work Experience	Positions Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remarks
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Su-Lee Wen Tsai	Female 61~70 years old	26/5/2022	3 years	26/5/2022	-	-	-	-	-	-	-	-	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	26/5/2022	3 years	26/5/2022	-	-	-	-	28,000	0.02%	-	-	Chairman, Chen Hsiang Co., Ltd. Department of Industrial Electrical Engineering, Lunghwa Institute of Technology	Note 5	None	None	None	None
Independent Director	R.O.C.	Ching-Yi Chang	Male 51~60 years old	26/5/2022	3 years	26/5/2022	-	-	-	-	-	-	-	-	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 SSTL, Chairman of SSDL, Chairman of SGL, Chairman of GLT-Taiwan, Chairman of GLT-USA, Chairman of Hao-Yuan Technologies Inc., Director of J-MEX, Director of Cornerstone Intellectual Property Foundation, Convenor of the Nomination Committee of GLT.
- Note 2: Wistron Corporation's President & CEO, Kaohsiung Opto-Electronics Inc.'s Chairman, WiBASE Industrial Solutions Inc.'s Chairman, WiSuccess Asset Management Corporation's Director, Cowin Worldwide Corp.'s Chairman, Service Management Solutions Mexico S.A. de C.V.'s Chairman, SMS InfoComm Corp.'s Chairman, WisVision Corp.'s Chairman, Wistron InfoComm (Philippines) Corp.'s Chairman, Wistron InfoComm (Vietnam) Co., Ltd.'s Chairman, Wistron InfoComm Mexico S.A. de C.V.'s Chairman, Wistron InfoComm Technology (America) Corp.'s Chairman, Wistron InfoComm Technology (Texas) Corp.'s Chairman, Wistron Mexico S.A. de C.V.'s Wistron InfoComm (Kunshan) Co., Ltd.'s Chairman, Wistron Optronics (Kunshan) Co., Ltd.'s Chairman, Chengdu Weicheng Computer Co., Ltd.'s Chairman, SMS (Kunshan) Co., Ltd.'s Chairman, Wistron InfoComm (Taizhou) Co., Ltd.'s Chairman, Wistron Investment (Sichuan) Co., Ltd.'s Chairman, Wistron InfoComm (Zhongshan) Co., Ltd.'s Chairman, Wistron InfoComm (Chengdu) Co., Ltd.'s Chairman, Wistron InfoComm (Chongqing) Co., Ltd.'s Chairman, SMS Infocomm Global Service (CQ)'s Chairman, Wistron Service (Kunshan) Corp.'s Chairman, XTRONICS (Kunshan) Electronics Technology Co., Ltd.'s Chairman, AII Holding Corp.'s Director, ICT Service Management Solutions (India) Private Limited's Director, Win Smart Co., Ltd.'s Chairman, Wistron Green Tech (Texas) Corp.'s Director, Wistron K.K. Director, Wistron Technology (Malaysia) Sdn. Bhd.'s Director, Zhongshan Global Lighting Technology Limited Co.'s Director, WiseCap (Hong Kong) Limited's Director, Wistron Hong Kong Limited's Director, Wistron Hong Kong Holding Limited's Director, Wistron InfoComm Technology (Zhongshan) Co., Ltd.'s Chairman, Wistron Green Recycling Technology (Kunshan) Co., Ltd.'s Chairman.
- 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

Name of corporate shareholder	Major shareholders of the corporate shareholder	%
Wistron Corporation	Yuanta Taiwan Dividend Plus ETF	4.68%
	Labor Pension Fund	2.47%
	Acer Incorporated	1.89%
	J.P. Morgan Securities PLC	1.63%
	Fubon Taiwan high dividend 30 ETF	1.62%
	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

Name of corporation	Major shareholders of corporate shareholders	%
Acer Incorporated	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%
	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

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 <i>Company Act</i> .	Not applicable.	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 <i>Company Act</i> .		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 fallen under Section 30 of the <i>Company Act</i> .		0
Ching-Ling Wang	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 <i>Company Act</i> .		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 <i>Company Act</i> .		(1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws). (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company, or ranking among the top 10 in shareholdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship to the individuals listed in the three preceding criteria.
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> .	(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 parent company,	0

<p>Ching-Yi Chang</p>	<p>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</p> <p>◆ Not fallen under Section 30 of the <i>Company Act</i>.</p>	<p>subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(7) Not a director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>(8) Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company (this restriction does not apply to specific companies or institutions if they hold more than 20% but less than 50% of the outstanding shares of the Company or 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).</p> <p>(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 NTS500,000, 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.</p> <p>(10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company;</p> <p>(11) Not fallen under Section 30 of the <i>Company Act</i>.</p> <p>(12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the ROC.</p>	<p>0</p>
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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:

Item Name of Director	Basic composition						Expertise and skills							
	Nationality	Gender	Age		Seniority of Independent Director		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
			51 60	61 70	Below 3 years	Over 3 years								
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 least 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; %

Title	Nationality	Name	Gender	Date Elected (Appointed)	Shares Held		Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Education and Work Experience	Positions Concurrently Held at the Company and Other Companies	Other Managerial Roles Held by Spouse or Second-Degree Relative			Remarks
					Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationship	
General Manager	R.O.C.	Chung-Lin Tsai	Male	5/3/2021	65	0.00%	-	-	-	-	R&D Manager of Sigan Technology Co., Ltd. Institute of Mechanical Engineering,	Note 1	None	None	None	None
Chief Plant Manager	R.O.C.	Joe Song	Male	25/10/2023	532	0.00%	-	-	-	-	Chungli Plant Manager of Global Lighting Technologies Inc.(Taiwan) Department of Mechanical Engineering, Hungkuo Delin University of Technology	Note 2	None	None	None	
Associate Manager	R.O.C.	Jui-Ling Huang	Female	21/2/2013	-	-	-	-	-	-	Deputy Manager of PricewaterhouseCoopers Management Consulting Co., Ltd. Human Resources Management, National Sun Yat-sen University	-	None	None	None	
Associate Manager	R.O.C.	Mei-Chen Chuang	Female	1/3/2016	-	-	-	-	-	-	Director of Management of Shengjie Optoelectronics Department of Business Management, National Central University	Note 3	None	None	None	

Note 1: Chairman of GLT-Shanghai, Chairman of GLT-Suzhou Opto, Chairman of GLT-Zhongshan, Legal Representative and President of GLT-Vietnam.

Note 2: Director and President of GLT-Shanghai, Director and President of GLT-Suzhou Opto, Director of GLT-Zhongshan.

Note 3: Supervisor of GLT-Shanghai, Supervisor of GLT-Suzhou Opto, Supervisor of GLT-Zhongshan.

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, 2023 Unit: NT\$ thousands, %

Title	Name	Remuneration of Directors								Ratio of Total Remuneration (A+B+C+D) to Earnings After Tax (Note 10)		Remuneration of directors concurrently serving as employees						Ratio of Total Remuneration (A+B+C+D+E+F+G) to Earnings After Tax (Note 10)		Remuneration from reinvestee other than subsidiary or parent company (Note 11)						
		Remuneration [A] (Note 2)		Severance Pay and Pension (B)		Rewards of directors (C) (Note 3)		Business Execution Expenses (D) (Note 4)				Salary, Bonus, and Allowance (E) (Note 5)		Severance Pay and Pension (F)		Employees' compensation (G) (Note 6)										
		The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the financial statements (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report	The Company	All companies in the financial statements (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company		All Companies in the Financial Report (Note 7)			The Company	All Companies in the Financial Report				
Chairman	Mang-Shiang Lee																									
Director	Wistron Corporation																									
Corporate Director Representative	Jiann-Shiun Lin	-	-	-	-	3,038	3,038	150	150	3,188	3,188	0.96%	0.96%	-	2,460	-	-	-	-	-	-	3,188	5,648	0.96%	1.70%	None
Director	Tzu-Hsin Chang																									
Director	Ching-Ling Wang (Note 13)																									
Independent Director	Su-Lee Wen Tsai (Note 13)																									
Independent Director	Ho-Hsiang Hsu (Note 13)	1,800	1,800	-	-	2,279	2,279	380	380	4,459	4,459	1.35%	1.35%	-	-	-	-	-	-	-	-	4,459	4,459	1.35%	1.35%	None
Independent Director	Ching-Yi Chang (Note 13)																									

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

Range of Remuneration Paid to the Directors of the Company	Name of Director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	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	Mang-Shiang Lee, Wistron Corporation, Jiann-Shiun Lin, Tzu-Hsin Chang, Ching-Ling Wang	Mang-Shiang Lee, Wistron Corporation, Jiann-Shiun Lin, Tzu-Hsin Chang, Ching-Ling Wang	Mang-Shiang Lee, Wistron Corporation, Jiann-Shiun Lin, Tzu-Hsin Chang, Ching-Ling Wang	Wistron Corporation, Jiann-Shiun Lin, Tzu-Hsin Chang, Ching-Ling Wang
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Su-Lee Wen Tsai, Ho-Hsiang Hsu, Ching-Yi Chang	Su-Lee Wen Tsai, Ho-Hsiang Hsu, Ching-Yi Chang	Su-Lee Wen Tsai, Ho-Hsiang Hsu, Ching-Yi Chang	Su-Lee Wen Tsai, Ho-Hsiang Hsu, Ching-Yi Chang
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)				Mang-Shiang Lee
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)				
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)				
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	8 (Including 1 Corporate Director)	8 (Including 1 Corporate Director)	8 (Including 1 Corporate Director)	8 (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

*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, 2023 Unit: NT\$ thousands, %

Title	Name	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 the total of 4 items A, B, C and D on net income after tax (%) (Note 8)		Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Note 9)
		The Company	All Companies in the Financial Report (Note 5)	The Company	All Companies in the Financial Report (Note 5)	The Company	All Companies in the Financial Report (Note 5)	The Company		All Companies in the Financial Report (Note 5)		The Company	All Companies in the Financial Report	
								Cash Amount	Shares Amount	Cash Amount	Shares Amount			
General Manager	Chung-Lin Tsai	1,528	11,940	-	216	-	-	1,063	-	1,063	-	2,394 0.72%	13,022 3.93%	None
Chief Plant Manager	Joe Song (Note 10)													
Ex-Chief Plant Manager	Fleming Lin (Note 11)													

3.3.4 Range of Remuneration

Range of Remuneration Paid to the General Manager and Deputy General Managers	Name of the General Manager and Deputy General Managers	
	The Company (Note 6)	All companies in the financial statements (Note 7) (E)
Less than NT\$1,000,000	Fleming Lin, Joe Song	
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Chung-Lin Tsai	
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)		Fleming Lin, Joe Song
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: Took office on October 25, 2023.

Note 11: Resigned on October 25, 2023.

*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, 2023 Unit: NT\$ thousands

Title (Note 1)		Name (Note 1)	Stock Amount	Cash Amount	Total	Ratio of Total Amount to Net Income (%)
Management	General Manager	Chung-Lin Tsai	-	1,772	1,772	0.53%
	Ex-Chief Technology Officer	Fleming Lin (Note 5)				
	Chief Plant Manager	Joe Song (Note 6)				
	Associate Manager	Mei-Chen 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: Resigned on October 25, 2023.

Note 6: Took office on October 25, 2023.

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

Title	2022		2023	
	All companies in the consolidated financial statements		All companies in the consolidated financial statements	
	Amount	%	Amount	%
Director	20,948	2.02	10,107	3.05
General Manager and Deputy General Managers	13,451	1.30	13,022	3.93
Total	34,399	3.32	23,129	6.98

(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 2023. 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	5	2	71	-
Director	Tzu-Hsin Chang	7	0	100	-
Director	Ching-Ling Wang	7	0	100	-
Independent Director	Su-Lee Wen Tsai	7	0	100	-
Independent Director	Ho-Hsiang Hsu	7	0	100	-
Independent Director	Ching-Yi Chang	7	0	100	-

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 61 to 62 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: None.

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	1/1/2023 31/12/2023	Board of Directors and individual directors	Internal self-assessment	<p>Performance evaluation items of the Board of Directors:</p> <ol style="list-style-type: none"> 1. Degree of engagement in corporate operations (25 points) 2. Enhance the quality of the Board's decision-making (25 points) 3. Composition and structure of the Board (25 points) 4. Appointment and continuing education of Directors (15 points) 5. Internal control (10 points) <p>Total of 100 points</p> <p>Performance evaluation items of the Board's members:</p> <ol style="list-style-type: none"> 1. Understanding of the Company goals and missions (10 points) 2. Awareness of Directors' responsibilities (15 points) 3. Degree of engagement in corporate operations (30 points) 4. Internal relationship management and communication (15 points) 5. Professions and continuing education of Directors (15 points) 6. Internal control (15 points) <p>Total of 100 points</p>	<p>Performance evaluation items of the Board of Directors:</p> <ol style="list-style-type: none"> 1. Degree of engagement in corporate operations: 25 points 2. Enhance the quality of the Board's decision-making: 25 points 3. Composition and structure of the Board: 25 points 4. Appointment and continuing education of Directors: 15 points 5. Internal control: 10 points <p>Total of 100 points</p> <p>Performance evaluation items of the Board's members:</p> <ol style="list-style-type: none"> 1. Understanding of the Company goals and missions: 10 points 2. Awareness of Directors' responsibilities: 15 points 3. Degree of engagement in corporate operations: 29.43 points 4. Internal relationship management and communication: 14.57 points 5. Professions and continuing education of Directors: 14.71 points 6. Internal control: 15 points <p>Total of 98.71 points</p>
Once a year	1/1/2023 31/12/2023	Audit Committee	Internal self-assessment	<p>Performance evaluation items of the Audit Committee:</p> <ol style="list-style-type: none"> 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) <p>Total of 100 points</p>	<p>Performance evaluation items of the Audit Committee:</p> <ol style="list-style-type: none"> 1. Degree of engagement in corporate: 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 <p>Total of 100 points</p>
Once a year	1/1/2023 31/12/2023	Remuneration Committee	Internal self-assessment	<p>Performance evaluation items of the Remuneration Committee:</p> <ol style="list-style-type: none"> 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) <p>Total of 100 points</p>	<p>Performance evaluation items of the Remuneration Committee:</p> <ol style="list-style-type: none"> 1. Degree of engagement in corporate: 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 <p>Total of 100 points</p>

Assessment Interval	Assessment period	Scope	Assessment Method	Assessment Content	Evaluation results
Once a year	2023.01.01 2023.12.31	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 seven (7) times in year 2023. The attendance of Independent Directors was as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Actual attendance rate (%)	Remarks
Independent Director	Su-Lee Wen Tsai	7	0	100	-
Independent Director	Ho-Hsiang Hsu	7	0	100	-
Independent Director	Ching-Yi Chang	7	0	100	-

Other mentionable items:

- 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
23/2/2023 1st meeting Audit Committee	2022 Business Report and Financial Statements	<ul style="list-style-type: none"> ◆ Approved unanimously by the Audit Committee ◆ The opinions of the Audit Committee was unanimously approved by the Board of Directors of the Company
	Proposal on 2022 earning distribution plan.	
	2021 Statement on Internal Control System.	
	The proposal on the decapitalization for deficit coverage of GLT-Optical	
	Capitalization of GLT-Optical	
	The proposal on investment in Vietnam through the important subsidiary GLT-Taiwan	
19/4/2023 2nd meeting Audit Committee	Proposal on the independence and suitability evaluation of CPAs	<ul style="list-style-type: none"> ◆ Approved unanimously by the Audit Committee ◆ The opinions of the Audit Committee was unanimously approved by the Board of Directors of the Company
	Proposal on CPA's public fees for FY2023	
	Proposal on the amendments to some provisions of the Company's Articles of Association	
	Proposal on the amendments to some provisions of the Company's Procedures of Asset Acquisition and Disposal	
	The proposal on formulating the Company's Pre-approval Policy for CPAs to Provide Non-Assurance Services	
8/5/2023 3rd meeting Audit Committee	Proposal on the Company's financial statements for Q1 2023	<ul style="list-style-type: none"> ◆ Approved unanimously by the Audit Committee ◆ The opinions of the Audit Committee was unanimously

Date of Meeting	Proposal	Opinions of independent directors and handling of independent directors' opinions by the Company
		approved by the Board of Directors of the Company
6/6/2023 4th meeting Audit Committee	The proposal on the merger of 100% directly and indirectly owned subsidiaries of the Company, GLT Optical Inc. and Global Lighting Technologies (Taiwan) Inc.	<ul style="list-style-type: none"> ◆ Approved unanimously by the Audit Committee ◆ The opinions of the Audit Committee was unanimously approved by the Board of Directors of the Company
	Global Lighting Technologies (Taiwan) Inc., a 100% indirectly owned subsidiary of the Company, intends to establish a Tongluo branch.	
17/8/2023 5th meeting Audit Committee	Proposal on the Company's consolidated financial statements for Q2 2023	<ul style="list-style-type: none"> ◆ Approved unanimously by the Audit Committee ◆ The opinions of the Audit Committee was unanimously approved by the Board of Directors of the Company
	Proposal on bank financing endorsement guarantee	
2/11/2023 6th meeting Audit Committee	Proposal on the Company's consolidated financial statements for Q3 2023	<ul style="list-style-type: none"> ◆ Approved unanimously by the Audit Committee ◆ The opinions of the Audit Committee was unanimously approved by the Board of Directors of the Company
	Proposal on the determination of the Company's risk control limit for loaning funds to others in 2023.	
	Amendment of certain articles of the "Financial Business Operation Regulations between Affiliated Enterprises" of the Company	
20/12/2023 7th meeting Audit Committee	Proposal on Audit Plan for FY2024	<ul style="list-style-type: none"> ◆ Approved unanimously by the Audit Committee ◆ The opinions of the Audit 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.
2. 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.
3. 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 December 20, 2023, 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 13 communications (including by letter) were held in 2023.
 - (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 23, 2023, May 8, 2023, August 17, 2023 and November 2, 2023.

4. Priorities of Review for the Year 2023

- (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 and qualifications 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 CPAs to evaluate the independence, professionalism, and qualifications of CPAs in accordance with the 13 AQI indicators. The Company reviewed the independence and qualifications evaluation of the CPAs Chao-Mei Chen and Cheng-Chuan Yu from Deloitte & Touche on the Audit Committee and the Board of Directors on April 19, 2023 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 2023, 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 26, 2024, the Audit Committee and the Board of Directors approved the Statement of Internal Control System for the year 2023.

3.4.3 Composition and operation of the Remuneration Committee

1. Information on the members of the Remuneration Committee

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.	<ul style="list-style-type: none"> (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); 	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.	<ul style="list-style-type: none"> (5) Not a director, supervisor or employee of a corporate 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. 	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	<ul style="list-style-type: none"> (8) Not a Director (member of the governing board), 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 <i>Company Act</i>. 	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 2023, 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	Su-Lee Wen Tsai	2	0	100	-
Member	Ho-Hsiang Hsu	2	0	100	-
Member	Huey-Min Chen	2	0	100	-

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 FY2023:

Date of Meeting (Session)	Proposal	Opinions of all Remuneration Committee members and the Company's handling of such opinions
16/2/2023 (1st Meeting)	Remuneration for directors and supervisors in 2022 and the distribution ratio	<ul style="list-style-type: none"> ◆ Approved by all members present. ◆ The opinions of the Remuneration Committee was unanimously approved by the Board of Directors of the Company
	The amount of remuneration distribution to senior managerial officers in 2022	
13/12/2023 (2nd Meeting)	The range and rationality of year-end bonus for senior managerial officers in FY2023	<ul style="list-style-type: none"> ◆ 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 1 meetings were held by the Nomination Committee in 2023, 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	1	0	100	-
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	-
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	-

Other mentionable items:

The meeting date, session, content of the main proposals of the Nomination Committee for the year 2023, 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
2/11/2023 (2nd meeting of the 2nd term)	Proposal for transfer of the Company's Chief Plant Manager	<ul style="list-style-type: none"> ◆ Approved by all members present. ◆ The opinions of the Nomination 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

Assessment Item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		(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.	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
II. Shareholding structure & shareholders' rights				
(I) 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.	
(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 Related party Financial Operations, which provides that the authority and responsibility for asset and financial management among affiliates should be independent of each other, which was approved by the Board of Directors on November 2, 2023 that the major transaction should be submitted to the Board of Directors for approval before proceeding, 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.	
(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. Also, the amendment to the articles was approved by the Board of Directors on October 28, 2022. As per the internal regulations, insiders are prohibited from trading their stocks from the day they receive the Company's Financial Reports or related performance information until thirty days prior to the annual financial report announcement and fifteen days prior to each quarterly financial report announcement.	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation status		Summary	Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Does the Board formulate diversity policies, specific management objectives and implement them?</p> <p>(II) Does the Company voluntarily establish other functional committees in addition to the legally-required Remuneration Committee and Audit Committee?</p> <p>(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?</p>	V		<p>(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.</p> <p>(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 35 to 36 for their powers and operation information.</p> <p>(III) The Company conducts regular performance evaluations annually in accordance with the Performance Evaluation Measures of the Board of Directors, and shall have a Board performance evaluation performed by an outside agency at least once every three years. 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 FY2023.</p>	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
<p>(IV) Does the Company regularly assess on the independence of CPAs?</p>	V		<p>(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.</p> <ol style="list-style-type: none"> 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 has ensured the integrity, fairness and independence of his/her assistants. 4. The appointed CPAs 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. 	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation status		Summary	Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
			<p>8. The appointed CPA shall not engage in any other business in which they may lose their independence.</p> <p>9. The appointed CPA shall not receive any commission related to his business.</p> <p>10. The appointed CPA shall not hold shares of the Company.</p> <p>11. The appointed CPA shall not concurrently serve in the Company on a regular and fixed salary.</p> <p>12. The appointed CPA shall not co-invest or share interests with the Company.</p> <p>13. The appointed CPA shall not involve in the Company's decision-making.</p>	
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		<p>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.</p> <p>Scope of functions of the Governance Team of the Company:</p> <ol style="list-style-type: none"> 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. <p>Execution highlights in 2023:</p> <ol style="list-style-type: none"> 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 performance evaluation of board members 8. 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.

Assessment Item	Implementation status		Summary	Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons																					
	Yes	No																							
			<p>Continuing education in 2023</p> <table border="1"> <thead> <tr> <th>Organizer</th> <th>Name</th> <th>Date of Course</th> <th>Course Title</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>Taiwan Stock Exchange (TWSE)</td> <td rowspan="4">Mei-Chen Chuang</td> <td>2023/04/27</td> <td>Sustainable Development Action Plans Seminar for TWSE- and TPEX-Listed Companies</td> <td>3</td> </tr> <tr> <td>Financial Supervisory Commission</td> <td>2023/09/04</td> <td>The 14th Taipei Corporate Governance Forum</td> <td>3</td> </tr> <tr> <td rowspan="2">Securities & Futures Institute</td> <td>2023/10/20</td> <td>2023 Insider Trading Prevention Seminar</td> <td>3</td> </tr> <tr> <td>2023/11/29</td> <td>Workshop on Equity Trading Compliance for Insiders of Publicly Listed Companies for 2023</td> <td>3</td> </tr> </tbody> </table>	Organizer	Name	Date of Course	Course Title	Hours	Taiwan Stock Exchange (TWSE)	Mei-Chen Chuang	2023/04/27	Sustainable Development Action Plans Seminar for TWSE- and TPEX-Listed Companies	3	Financial Supervisory Commission	2023/09/04	The 14th Taipei Corporate Governance Forum	3	Securities & Futures Institute	2023/10/20	2023 Insider Trading Prevention Seminar	3	2023/11/29	Workshop on Equity Trading Compliance for Insiders of Publicly Listed Companies for 2023	3	
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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		<p>(I) 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.</p> <p>(II) The Company has set up a stakeholder zone on its website to respond to stakeholders' concerns through convenient communication channels.</p>	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		The Company has designated the Shareholding Service Department of Taishin Securities as the stock transfer agent.	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.																					
VII. Information disclosure (I) Does the Company establish a website to disclose information on financial operations and corporate governance? (II) Does the Company adopt other means of information disclosure (such as establishing an English language website,	V V		<p>(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.</p> <p>(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</p>	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.																					

Assessment Item	Implementation status		Summary	Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
<p>delegating a professional to collect and disclose company information, implement a spokesperson system, and disclosing the process of investor conferences on the Company website)?</p> <p>(III) 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 sales results, before the prescribed time limit?</p>	V		<p>from investors and shareholders, and discloses financial information and corporate presentation information on the Company's website in a timely manner.</p> <p>(III) The Company's 2023 annual financial report was approved by the Board of Directors on February 26, 2024 and uploaded to the Market Observation Post System on February 29, 2024.</p>	

<p>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)?</p>	<p>V</p>	<p>(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.</p> <p>(II) Continuing education of directors and supervisors:</p> <table border="1" data-bbox="775 424 1868 1423"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Date of Course</th> <th>Organizer</th> <th>Course Title</th> <th>Number of Hours</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Chairman</td> <td rowspan="2">Mang-Shiang Lee</td> <td>2023/04/27</td> <td>Taiwan Stock Exchange (TWSE)</td> <td>Sustainable Development Action Plans Seminar for TWSE- and TPEX- Listed Companies</td> <td>3</td> </tr> <tr> <td>2023/06/02</td> <td>Chinese National Association of Industry and Commerce, Taiwan</td> <td>2023 Taishin Net Zero Power Forum</td> <td>3</td> </tr> <tr> <td rowspan="2">Corporate Director Representative</td> <td rowspan="2">Jiann-Shiun Lin</td> <td rowspan="2">2023/09/22</td> <td rowspan="2">Taiwan Corporate Governance Association</td> <td>ESG Global Key Trends and Case Studies for Winning the Future</td> <td>3</td> </tr> <tr> <td>Key to Enhancing Board Effectiveness</td> <td>3</td> </tr> <tr> <td rowspan="2">Director</td> <td rowspan="2">Tzu-Hsin Chang</td> <td>2023/04/11</td> <td rowspan="2">Securities & Futures Institute</td> <td>Server System Integration Technology and Business Opportunities</td> <td>3</td> </tr> <tr> <td>2023/06/08</td> <td>Corporate Governance and Securities Regulations</td> <td>3</td> </tr> <tr> <td rowspan="2">Director</td> <td rowspan="2">Ching-Ling Wang</td> <td>2023/05/26</td> <td>Environmental Protection Administration, Executive Yuan</td> <td>Green Chemistry: Together Contributing to Sustainability</td> <td>3</td> </tr> <tr> <td>2023/11/22</td> <td>Securities & Futures Institute</td> <td>Workshop on Equity Trading Compliance for Insiders of Publicly Listed Companies for 2023</td> <td>3</td> </tr> <tr> <td>Independent Director</td> <td>Su-Lee Wen Tsai</td> <td>2023/04/18</td> <td>Taiwan Corporate Governance Association</td> <td>Enterprise Growth Strategy and External Innovation</td> <td>3</td> </tr> </tbody> </table>	Title	Name	Date of Course	Organizer	Course Title	Number of Hours	Chairman	Mang-Shiang Lee	2023/04/27	Taiwan Stock Exchange (TWSE)	Sustainable Development Action Plans Seminar for TWSE- and TPEX- Listed Companies	3	2023/06/02	Chinese National Association of Industry and Commerce, Taiwan	2023 Taishin Net Zero Power Forum	3	Corporate Director Representative	Jiann-Shiun Lin	2023/09/22	Taiwan Corporate Governance Association	ESG Global Key Trends and Case Studies for Winning the Future	3	Key to Enhancing Board Effectiveness	3	Director	Tzu-Hsin Chang	2023/04/11	Securities & Futures Institute	Server System Integration Technology and Business Opportunities	3	2023/06/08	Corporate Governance and Securities Regulations	3	Director	Ching-Ling Wang	2023/05/26	Environmental Protection Administration, Executive Yuan	Green Chemistry: Together Contributing to Sustainability	3	2023/11/22	Securities & Futures Institute	Workshop on Equity Trading Compliance for Insiders of Publicly Listed Companies for 2023	3	Independent Director	Su-Lee Wen Tsai	2023/04/18	Taiwan Corporate Governance Association	Enterprise Growth Strategy and External Innovation	3	<p>In line with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
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		2023/11/09	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	3
Independent Director	Ching-Yi Chang	2023/10/13	Securities & Futures Institute	2023 Insider Trading Prevention Seminar	3
		2023/11/09		Shareholders' Meeting, Ownership, and Equity Strategy	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 20, 2023.

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

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof						
	Yes	No	Summary							
I. Does the Company establish a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and the supervision of the Board of Directors ?	√		The Company has the Corporate Governance Team to be responsible for assisting in the implementation of social and corporate governance issues, and the Greenhouse Gas Inventories and Reductions Implementation Team is responsible for promoting climate and environmental matters. To enhance the governance framework for sustainable development, the Greenhouse Gas Inventories and Reductions Implementation Team provides quarterly reports to the Board of Directors on greenhouse gas inventory. The Corporate Governance Team submits an annual report to the Board of Directors on the implementation of social and corporate governance issues. The Board of Directors supervises the authority and responsibility unit annually and regularly tracks and evaluates the possibility of implementation. It also reviews the progress of the strategy frequently and puts forward suggestions for improvement when appropriate.	In line with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.						
II. Has the Company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established related risk management policies or strategies?	√		<p>On December 22, 2010, the Board of Directors approved the Risk Management Policy and established a risk management team to conduct risk assessments with the corporate governance team on environmental, social and corporate governance issues related to the operations of the Group (including the merged entities) in accordance with the materiality principle, and then adjust the management practices based on the assessment results. It reports the implementation information to the Board of Directors every year. The Chief Governance Officer of the Company reported to the Board of Directors on December 20, 2023 on the status of sustainable development and risk management operations as follows:</p> <table border="1"> <thead> <tr> <th>Risk type</th> <th>Breakdown of risk</th> <th>Performance of management</th> </tr> </thead> <tbody> <tr> <td>Operations and environment</td> <td>Business interruptions, supply chain disruptions, damage to property and</td> <td>1.The Company has taken out insurance for business interruption and machinery & equipment to partially transfer part of the possible risks, and has established a mechanism for mutual backup of production capacity among plants.</td> </tr> </tbody> </table>	Risk type	Breakdown of risk	Performance of management	Operations and environment	Business interruptions, supply chain disruptions, damage to property and	1.The Company has taken out insurance for business interruption and machinery & equipment to partially transfer part of the possible risks, and has established a mechanism for mutual backup of production capacity among plants.	In line with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
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Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
			<p>equipment, responsibilities of contractors/subcontractors, and policies related to climate change</p> <p>2.Periodically conduct audits of contractors and suppliers, ensuring that there are at least two qualified suppliers for each main material, in order to mitigate procurement risks.</p> <p>3.Has started the ISO14064-1 standard introduction work, and has completed two greenhouse gas inventory practical and quantitative education training, and will report the inventory progress to the Board of Directors on a quarterly basis.</p> <p>4.Energy- and water-saving equipment was selected, solar panels were planned, and internal workflows have been converted to promote online signatures instead of paper work, in order to reduce electricity and carbon emissions.</p>	
			<p>Social risks</p> <p>Occupational safety and health, transmission of major infectious diseases, and labor human rights</p> <p>1.The Company has 2 licensed factory nurses and a factory doctor stationed at the factories on a monthly basis. In 2023, till November, a total of 14 events were held and received 119 consultations.</p> <p>2.Special Physical Examinations were conducted for 17 employees from the Zhongli Plant (exposed to noise, dust, and ionizing radiation) and 23 employees from the Tunglo Plant (exposed to noise and</p>	

Promoted Item	Status of Implementation			Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No			
				<p>dust), with a participation rate of 100%.</p> <p>3.The Zhongli Plant organized two health promotion activities and two health promotion lectures. Similarly, the Tongluo Plant organized two health promotion lectures and published a monthly employee health promotion e-newsletter.</p> <p>4.In 2023, we held 4 meetings of the Occupational Safety and Health Committee and ISO14001 & ISO45001 System Continuation Promotion Meeting to provide quarterly progress reports to the committee members and labor representatives.</p> <p>5.Regular annual public safety inspections and fire prevention and maintenance declarations are conducted for buildings. Two evacuation drills were held in 2023. Monthly electronic newsletters are used to promote safety, health, environmental management, fire prevention, workplace misconduct, and road safety awareness. A total of 16 in-service education and training sessions were held in 2023 with 440 participants.</p> <p>6.In 2023, there were no occupational safety incidents, and only one case of occupational injury. Two sessions of education and</p>	

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
			<p>training for occupational injury improvement projects were conducted, with a total of 36 participants.</p> <p>Governance</p> <p>Interest rate fluctuation risk, credit risk, liquidity risk, law compliance</p> <p>1.The international market is highly volatile, thus our Finance Department frequently interacts with banks to stay updated on exchange rates and interest rate trends, making timely adjustments to foreign currency levels within manageable limits to mitigate risks.</p> <p>2.The banks selected by the Group's companies are well-rated financial institutions, such as Taipei Fubon Bank and Taishin International Bank, and the four major banks in mainland China.</p> <p>3.To ensure liquidity and the Group's cash safety level, the Company does not engage in high-risk derivatives, forward foreign exchange and option trading instruments.</p> <p>4.Each unit keeps abreast of the latest policies and legal amendments through various e-newsletters/awareness sessions/external training courses.</p>	
<p>III. Environmental issues</p> <p>(I) Does the Company establish a suitable environmental management system based on the nature of its industry?</p>	√		<p>(I) The Company has established ISO14001 and ISO45001 environmental and safety and health management systems and adheres to the principles of environmental management. It has recently started implementing the</p>	<p>In line with the provisions of the Sustainable Development</p>

Promoted Item	Status of Implementation		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																		
	Yes	No																				
			ISO14064-1 standard.	Best Practice Principles for TWSE/TPEX Listed Companies.																		
(II) Does the Company strive to improve energy efficiency and use recycled materials with low impact on the environment?	V		(II) The Company is committed to the production process of low consumption, improving energy utilization, reducing the consumption of raw materials for production and the generation of waste, and promoting green and harmless product activities to provide environmentally friendly products to countries around the world.	In line with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.																		
(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	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 has consistently installed energy-saving equipment in its factories and office spaces to enhance energy efficiency and minimize environmental impact. The following are the statistical data for the past two years, encompassing two plant sites in Taiwan: 1. Greenhouse Gas (Unit: metric tons CO ₂ e per year) The Company currently only has greenhouse gas inventory data for 2023 and plans to complete the two-stage external verification by May 13, 2023. <table border="1" data-bbox="1003 1098 1749 1278"> <tr> <td>Emission source</td> <td>2022</td> <td>2023</td> </tr> <tr> <td>Category I</td> <td>-</td> <td>366.4573</td> </tr> <tr> <td>Category II</td> <td>-</td> <td>7,980.5880</td> </tr> <tr> <td>Categories III to VI (Note)</td> <td>-</td> <td>16,159.0271</td> </tr> <tr> <td>Total</td> <td>-</td> <td>24,506.0724</td> </tr> </table> Note: Categories III to VI only investigate specific indicators 2. Water Consumption (Unit: kWh) <table border="1" data-bbox="1003 1377 1458 1449"> <tr> <td>2022</td> <td>2023</td> </tr> <tr> <td>85,092</td> <td>79,503</td> </tr> </table>		Emission source	2022	2023	Category I	-	366.4573	Category II	-	7,980.5880	Categories III to VI (Note)	-	16,159.0271	Total	-	24,506.0724	2022	2023	85,092
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Promoted Item	Status of Implementation		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof				
	Yes	No						
			3. Waste (Unit: metric tons) <table border="1" style="margin-left: 20px;"> <tr> <td>2022</td> <td>2023</td> </tr> <tr> <td>19.17</td> <td>24.17</td> </tr> </table>	2022	2023	19.17	24.17	
2022	2023							
19.17	24.17							
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: 1. 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. 2. 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. 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 work-life balance, the Company provides various allowances and subsidies for club activities, as shown in Human Resources – GLT's Benefits. 6. The Company regularly conducts human rights protection-related education	In line with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.				

Promoted Item	Status of Implementation		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
(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		<p>and training, covering topics such as sexual harassment, stalking harassment and workplace abuse prevention. In 2023, a total of 16 courses were held, with a total of 440 participants completing the training.</p> <p>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.</p> <p>(II) The Company follows the <i>Labor Standards Act</i> 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.</p> <p>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.</p> <p>Diversity and equality in the workplace: The Company values gender equality and equal pay, with 64.81% of employees being female and 32.65% being female executives in FY2023.</p>	
(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 FY2023 was 0 per person. It will continue to promote traffic safety and enhance environmental safety to provide a healthy working environment for employees.	In line with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(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.	
(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.	
(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		(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.	
V. Does the Company prepare sustainable development report and other reports that disclose non-financial information by following international reporting standards or guidelines? Has the said Report acquired third party verification?		V	The Company is not yet an enterprise that is required by law to prepare a ESG report, but it has planned to begin preparing it in the second half of 2024.	In line with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promoted Item	Status of Implementation		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
<p>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.</p>				
<p>VII. Other important information to help understand the implementation of sustainable development:</p> <ol style="list-style-type: none"> 1. On May 30, 2023, 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. 2. On July 8, 2023, the 12th Taiwan Bike Angel Charity Tour for Cross-Straits Cycling Dream was held to support rural youth through sports education. The event aimed to provide junior high and elementary school students with opportunities to broaden their horizons and enhance their learning experiences. On October 4, 2023, in collaboration with the Department of Education Keelung City Government, a children's digital reading program was launched, and the program donated a total of 3,920 e-books. In 2023, the GLT Arts and Culture Support Program reached a sponsorship agreement with two artists to hold exhibitions within the Company. The Company has responded to sports, cultural and academic activities with a total investment of NT\$1.2 million. 3. GLT-Shanghai purchased green power to reduce the proportion of thermal power generation and prevent environmental pollution from worsening. Over generation and mitigate environmental pollution. Please see page 94 of the annual report for details on the investment amount. 				

3.4.7 Company Climate-related Information

(1) Execution Status of Climate-related Information

Item	Status of Implementation
1. Description of the Board's and management's oversight and governance of climate-related risks and opportunities.	The Risk Management Team and the Corporate Governance Team of the Company conduct annual risk assessments on environmental, social, and corporate governance issues related to the Group (including consolidated and parent company only financial statements) according to established principles. This includes relevant policies on climate change. The management consistently monitors and evaluates the feasibility of implementation, and reports on sustainable development and risk management to the Board of Directors annually. The Board of Directors oversees the accountable departments and offers timely improvement recommendations based on the report findings, while also regularly reviewing the progress of strategies.
2. parent company only how identified climate risks and opportunities impact the Company's business, strategy, and finances in the short-term, medium-term, and long-term.	With sustainable development has becoming a crucial objective for business operations, the Company actively participates in green manufacturing, taking into account the principles of circular economy, energy conservation, and carbon reduction in our product design and production processes. Furthermore, the Company prioritizes the use of energy-saving and water-saving equipment. In the future, there are plans to install solar panels on the factory premises. Once the risks and opportunities have been identified, appropriate risk and business strategies will be implemented.
3. Description of the financial impact from extreme climate events and transition actions.	In order to prevent business interruptions and damage to property and equipment caused by extreme weather events, the Company has already taken out a property insurance to transfer a portion of the potential risks. Additionally, an emergency response plan has been formulated and inter-plant backup production capacity mechanisms have been put in place. The financial implications of these transition actions encompass expenses related to enhancing energy efficiency and conducting research and development for low-carbon product designs.
4. Description of how the process of identifying, assessing, and	The Company identifies, assesses, and manages various risks in accordance with internal

Item	Status of Implementation
<p>managing climate risks will be integrated into the overall risk management system.</p>	<p>management regulations. Currently, the Company is planning to revise the "Risk Management Policy" for the year 2024, which will incorporate risk management procedures. These procedures will include the five key elements of risk identification, risk analysis, risk assessment, risk response, and monitoring and review mechanisms, in order to facilitate operational execution.</p>
<p>5. When assessing resilience to climate change risks using scenario analysis, it is essential to provide a clear explanation of the scenario, parameters, assumptions, analysis factors, and significant financial impacts.</p>	<p>No assessment of scenario analysis was used, so it is not applicable.</p>
<p>6. If there is a transition plan in place to address climate-related risks, please provide the details of the plan, including the indicators and objectives used to identify and manage both physical and transitional risks.</p>	<p>No transition plan is in place to manage climate-related risks currently, so it is not applicable.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for determining the price should be explained.</p>	<p>No internal carbon pricing is used as a planning tool, so it is not applicable.</p>
<p>8. If climate-related goals are set, information on the activities covered, the scope of GHG emissions, the planning schedule, annual progress, and any other relevant information should be described.; if carbon offsetting or renewable energy certificates (RECs) are utilized to meet these goals, the source and quantity of carbon offsets or the quantity of renewable energy certificates (RECs) should be described.</p>	<p>No climate-related goals have been set for the time being, so it is not applicable.</p>
<p>9. Inventory and assurance of GHG, reduction goals, strategies,</p>	<p>According to Order Jin-Guan-Zheng-Fa-Zi No. 11203852314 issued by the Financial</p>

Item	Status of Implementation
and specific action plans (to be completed in sections 1-1 and 1-2).	Supervisory Commission on November 13, 2023, the Company is obligated to disclose inventory information, carbon reduction goals, strategies, and specific action plans starting from 2027, as well as assurance information disclosure starting from 2029, thus the requirement is currently not applicable.

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

Assessment Item	Implementation status			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons for Deviation
	Yes	No	Summary	
<p>I. Stipulating policies and plans for ethical corporate management</p> <p>(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?</p> <p>(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?</p> <p>(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?</p>	V		<p>(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.</p> <p>(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.</p> <p>(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.</p>	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
<p>II. Implementing ethical corporate management</p> <p>(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?</p>	V		<p>(I) Before engaging in various commercial activities, the Company has conducted credit checks on customers/manufacturers, checked their integrity status, and explicitly stipulated integrity clauses in the</p>	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation status			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons for Deviation
	Yes	No	Summary	
			contract.	
(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 regular basis (at least once a year)?	V		(II) 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 20, 2023. 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 December 25, 2023, 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 0.5 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.	

Assessment Item	Implementation status			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons for Deviation
	Yes	No	Summary	
(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 Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(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.	
(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 25, 2023.	
III. Status for enforcing whistleblowing systems in the Company				In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(I) Does the Company establish a specific whistleblowing and reward system, set up convenient whistleblowing channels, and designate appropriate personnel to handle the investigations, depending on the identity of the person being reported?	V		(I) The Company provides employees with sufficient appeal rights. In case of dishonesty, unfairness, etc., 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.	
(II) Does the Company establish standard investigation operation and procedure for whistleblowing matters and relevant protective mechanisms?	V		(II) The Company specifies the reporting method and handling procedures in Article 21 of the Procedures and Guide to Practices of Ethical Corporate Management, and will keep the acceptance record confidential.	

Assessment Item	Implementation status			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons for Deviation
	Yes	No	Summary	
(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.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
V. Where the Company has stipulated its own ethical corporate management best practices according to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please describe any differences between the prescribed best practices and the actual activities taken by the Company: No significant difference.				
VI. Other important information to facilitate better understanding of the Company's ethical corporate management: (e.g., review of and amendments to ethical corporate management policies) None.				

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

3.4.10 Other important information that can promote understanding of the Company's corporate governance operations: None.

3.4.11 Implementation Status of Internal Control System:

(1) Statement of Internal Control System

Global Lighting Technologies Inc.
Statement of Internal Control System

Date: February 26, 2024

Based on the results of the self-assessment of the Company's internal control system for the year ended December 31, 2023, 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, 2023, 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 26, 2024. 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.

3.4.12 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.

3.4.13 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 Meeting	Material Resolutions
23/2/2023 The 1st regular meeting	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
	Adopt the Statement on Internal Control System for FY2022
	Adopt the proposal on determining the date, venue and other relevant issues of the 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
19/4/2023 The 2nd regular meeting	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 of Association
	Adopt the proposal on amending the Procedures for the Acquisition or Disposal of 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
8/5/2023 The 3rd regular meeting	Adopt the proposal on the Company’s financial statements for Q1 2023
6/6/2023 The 4th regular meeting	Adopt the proposal on the merger of 100% directly and indirectly owned subsidiaries of the Company, GLT Optical Inc. and Global Lighting Technologies (Taiwan) Inc.
	Global Lighting Technologies (Taiwan) Inc., a 100% indirectly owned subsidiary of the Company, intends to establish a Tongluo branch.
17/8/2023 The 5th regular meeting	Adopt the proposal on the Company’s financial statements for Q2 2023
	Adopt the proposal on bank financing endorsement guarantee
2/11/2023 The 6th regular meeting	Adopt the proposal on the Company’s financial statements for Q3 2023
	Adopt the proposal on formulating the risk control limit for the Company to loaning funds to others for the year 2024

Date of Board Meeting	Material Resolutions
	Adopt the proposal on the amendments to certain articles of the "Financial Business Operation Regulations between Affiliated Enterprises" of the Company
	Adopt the proposal on the personnel change for the position of the Company's General Plant Manager.
20/12/2023 The 7th regular meeting	Adopt the 2024 operating plan.
	Adopt the 2024 audit plan.
	Adopt the Remuneration Committee's proposal on managerial officers' year-end bonus distribution in 2023
	Adopt the proposal on the amendments to certain articles of the "Codes of Ethical Conduct" of the Company
	Adopt the proposal on the amendments to certain articles of the "Ethical Corporate Management Best Practice Principles" of the Company
26/2/2024 The 1st regular meeting	Adopt the proposal of the Remuneration Committee on the distribution of rewards for directors and employees in 2023
	Adopt the Business Report and financial statements for FY 2023
	Adopt the proposal on the surplus distribution plan for FY2023
	Adopt the Statement on Internal Control System for FY2023
	Adopt the proposal on the preliminary land purchase for investment and plant establishment in Thailand
	Adopt the proposal on the amendments to the Rules of Procedure for Shareholders' Meeting.
	Adopt the proposal on the amendments to certain articles of the Audit Committee Charter of the Company
	Adopt the proposal on the amendments to certain articles of the "Procedures for Ethical Management and Guidelines for Conduct" of the Company
	Adopt the proposal on determining the date, venue and other relevant issues of the 2024 regular shareholders' meeting

(2)Material resolutions of the shareholders' meeting:

Date of Meeting	Summary of important proposals	Status of Implementation
30/5/2023	Ratify the Business Report and Financial Statements for FY2022	The proposal was adopted by vote.
	Proposal on 2022 surplus distribution plan	The proposal was adopted by vote, and July 23, 2023 was determined as the distribution base date, and August 11, 2023 was determined as the distribution date. (Cash dividend of NT\$4 per share)
	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 some provisions of Procedures of Asset Acquisition and Disposal.	The proposal was adopted by vote, and was subject to the amended measures.

3.4.14 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.

3.4.15 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
Chief Plant Manager	Fleming Lin	1/8/2019	25/10/2023	Work adjustment

3.5 Information on CPA Professional Fees

Unit: NT\$ thousands

Name of the CPA Firm	Name of CPA	Audit fees	Non-audit fees					Audit period	Remarks
			System design	Business registration	Human resources	Others (Remarks)	Subtotal		
Deloitte & Touche	Chao-Mei Chen	5,500	-	-	-	510	510	1/1/2023~31/12/2023	Transfer Pricing and Master File
	Cheng-Chuan Yu								

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

Title	Name	2023		2024 up to March 30	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
Chairman	Mang-Shiang Lee	37,000	-	-	-
Director	Wistron Corporation	-	-	-	-
	Representative: Jiann-Shiun Lin	-	-	-	-
Director	Tzu-Hsin Chang	-	-	-	-
Director	Ching-Ling Wang (Note 2)	-	-	-	-
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	-	-	-	-
Ex-Chief Plant Manager	Fleming Lin(Note 1)	-	-	-	-
Chief Plant Manager	Joe Song(Note 2)	-	-	-	-
Associate Manager	Amanda Huang	-	-	-	-
Associate Manager	Mei-Chen Chuang	-	-	-	-

Note 1: Resigned on October 25, 2023, and the changes of equity were disclosed until the date of resignation.

Note 2: Took office a on October 25, 2023, and the changes in equity were disclosed from the date of inauguration.

Equity transferred to related party: None.

Equity pledged to related party: None.

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; %

NAME	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		Remarks
	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, 2023 Units: share; %

Investee (Note 1)	Investment by the Company		Investment by directors, supervisors, managerial officers and directly or indirectly controlled companies		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	-	-	35,144,141	100
SGL	15,000,000	100	-	-	15,000,000	100
GLT-Taiwan	33,994,364	23.36	111,519,956	76.64	145,514,320	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-Vietnam	-	-	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.

Month/ Year	Issued Price	Authorized Capital		Paid-in Capital		Exchange Ratio (Note 1)	Remark		
		Shares (K)	Amount	Shares (K)	Amount		Sources of Capital	Shares (K)	Amount
95/12	US\$0.1	Common Stock 499,316 Preferred shares A 100,000 Preferred shares B 39,427	Common Stock US\$49,931,641 Preferred shares A US\$10,000,000 Preferred shares B US\$3,942,701	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			200	US\$ 20,000	-	Capitalization through the exercise of employee stock options	None	-
99/4	US\$0.1			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	-

Month/ Year	Issued Price	Authorized Capital		Paid-in Capital		Exchange Ratio (Note 1)	Remark		
		Shares (K)	Amount	Shares (K)	Amount		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.

March 30, 2024

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

4.1.2 Shareholding Structure :

March 30, 2024 Unit: shares

Category Number	Government Institution	Financial Institution	Other Institution	Individual	FINI	Mainland China Institutions and Individuals	Total
Number of Shareholders	0	6	34	10,080	97	0	10,217
Shareholding (shares)	0	125,000	25,418,731	68,991,748	34,328,612	0	128,864,091
Percentage	0.00%	0.10%	19.73%	53.54%	26.64%	0.00%	100.00%

4.1.3 The Distribution of Shareholdings :

(Par value of NT\$10 per share)

March 30, 2024

Category by shareholdings	No. of Shareholders	Number of Shares	Percentage (%)
1 ~ 999	853	146,607	0.11%
1,000 ~ 5,000	7,551	15,152,758	11.76%
5,001 ~ 10,000	938	7,411,550	5.75%
10,001 ~ 15,000	296	3,809,523	2.96%
15,001 ~ 20,000	158	2,869,955	2.23%
20,001 ~ 30,000	134	3,394,672	2.64%
30,001 ~ 40,000	68	2,436,188	1.89%
40,001 ~ 50,000	48	2,179,152	1.69%
50,001 ~ 100,000	98	7,157,013	5.55%
100,001 ~ 200,000	26	3,601,570	2.79%
200,001 ~ 400,000	18	4,350,540	3.38%
400,001 ~ 600,000	7	3,470,596	2.69%
600,001 ~ 800,000	5	3,270,285	2.54%
800,001 ~ 1,000,000	7	6,510,204	5.05%
1,000,001 and above	10	63,103,478	48.97%
Total	10,217	128,864,091	100.00%

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

March 30, 2024

Major Shareholders	Shares	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%
Yu-Quan Yang		1,539,000	1.19%
Pei-jun Liao		1,538,335	1.19%
Yu-Quan Yang		1,331,000	1.03%
Hung-Chieh Chang		1,183,000	0.92%
Yi Yuan Investment Co., Ltd.		1,167,000	0.91%
Shu-Li Chen		1,167,000	0.91%
Wei-Yun Hsu		30,005,393	23.28%

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

Unit: NTD, thousand shares

Item		Period	2022	2023	2024 (As of March 31)
Market price of Per Share	Highest		85.50	61.00	52.50
	Lowest		47.10	47.00	48.60
	Average		62.31	54.37	50.54
Net Value Per Share	Before Distribution		64.03	62.24	Note 5
	After Distribution		60.03	Note 4	-
Earnings Per Share	Weighted Average Share Numbers		128,873	128,864	128,864
	Earnings Per Share		8.05	2.57	Note 5
Dividend Per Share	Cash Dividend		4.00	1.50	-
	Stock Dividend	Retained Earning	None	None	-
		Capital Surplus	None	None	-
	Accumulated Unpaid Dividends		None	None	-
Return on Investment Analysis	P/E Ratio (Note 1)		7.74	21.16	-
	P/D Ratio (Note 2)		15.58	36.25	-
	Cash Dividend Yield (Note 3)		6.42	2.76	-

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 2023 dividend distribution will be presented to shareholders at 2024 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 26, 2024, the Board of Directors decided to distribute a cash dividend of NT \$1.5 per share, which will distribute upon approval of the annual regular meeting of shareholders in 2024.
- (3) The status of the actual distribution of dividends for the previous year: The annual regular meeting of shareholders on May 30, 2023, decided to distribute cash dividends of NT \$4.0 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 2023, the estimated employee and director remuneration are US \$568,426.20 and US \$170,527.86. 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 26, 2024, the Board of Directors decided to distribute the remuneration of US \$568,426.20 to the employees. The company's remuneration for directors and employees has entered into the consolidated financial statements in 2023, 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 2022, the actual employee and director remuneration were US\$1,858,344.99 and US\$557,503.50 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

Treasury stocks: Batch Order	1 st of 2021
Purpose of the repurchase	To protect the Company's credit and 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 planned number of shares to be repurchased (%)	34.55%
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 24/2/2022 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	2022		2023	
	Amount	Ratio	Amount	Ratio
Application of light guide plate	8,667,080	89.13%	5,145,676	86.63%
Plastic components	1,031,726	10.61%	778,950	13.11%
Others	24,770	0.26%	15,250	0.26%
Total	9,723,576	100%	5,939,876	100.00%

(3) Current products (services) of the Company

Commodity item	Application item
Application of light guide plate	Lighting, illuminated keyboards, LCD displays, notebook computers, smart phones, automotive products, industrial instruments, and other light guide plate applications.
Plastic 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. Expanding the applications of core technologies to increase product sales in the market.

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 and market demand

In recent years, several display technologies have been developed. Micro LED is a new technology that has gained market attention, following OLED and mini LED. However, its commercial application is still limited due to high costs and low yield rates. Both micro LED and OLED are luminescent technologies that do not require the use of backlighting to provide a light source. As these technologies continue to develop, they will undoubtedly affect the demand for light guide panels. Due to their maturity as a product and optimal cost advantage, LCD displays will continue to be widely adopted, while backlit products will also maintain a certain market share.

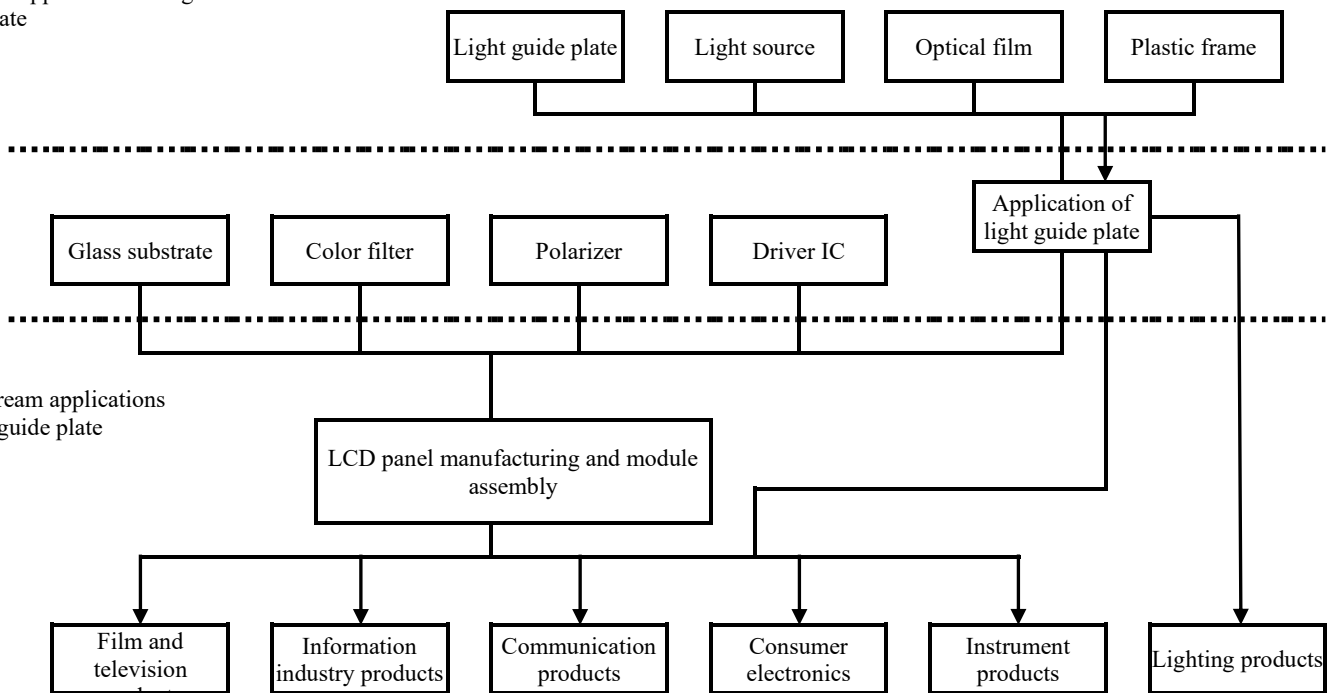
C. Plastic components

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.

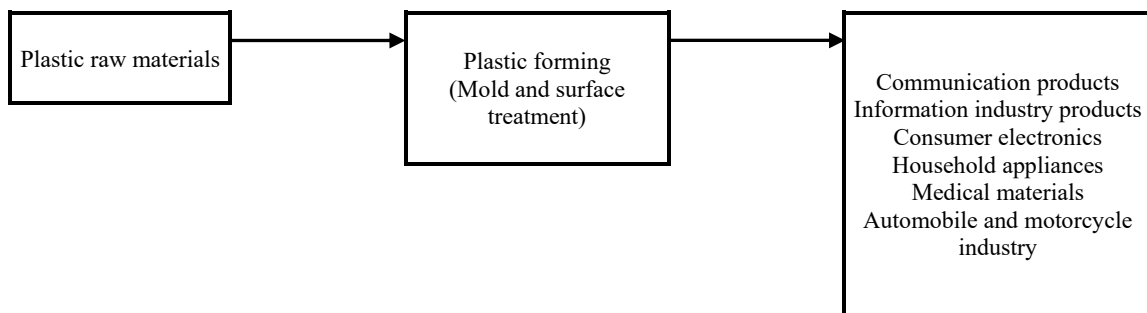
(2) Upstream, midstream and downstream correlation

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:

Upstream applications of light guide plate



Plastic component applications



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

A. Product Development

The Company actively utilizes its current design and technical capabilities to engage in a range of product development activities, expanding the use of light guide technology in different product domains. Its primary clients are reputable industry manufacturers, and it has earned a high level of trust from its customers. In light of the advancement of green manufacturing technology, its product development and manufacturing processes must place a high emphasis on environmental awareness. The products, in turn, should adhere to standards of energy efficiency, lightweight design, and waste minimization. In the future, consumer electronics products will continue to evolve to become lighter, thinner, and more energy-efficient. Businesses must consistently embrace innovative manufacturing processes and concepts, including material recycling. We have consistently focused on improving our process technology and the quality of our products. As we move forward, we will continue to enhance our production efficiency, thereby strengthening our competitive edge.

Competition Status

The supply of LCD displays has increasingly become dominated by Chinese firms, resulting in the domestic production of associated components within China. Moreover, in recent years, system manufacturers have been actively integrating systems, posing substantial challenges to dedicated LCD backlight module factories.

(1) Core technologies

Our core technology in optical design focuses on guiding and controlling the direction and distribution of light travel through the microlens structure on the optical element. This allows us to achieve high brightness and uniformity in line or surface light sources. In order to achieve precise microlens light control, we have expanded our precision machining and precision molding technology and have obtained several self-developed patents. These patents include backlit keyboards, front lights for e-books, and various applications in consumer products such as gaming computers, lighting, and automotive products. We have successfully incorporated light guiding and light control techniques into products across different industries, thereby enhancing the overall value of our end 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
Small and medium-sized displays	Backlight or frontlight modules for cell phones, navigation equipment, industrial instruments, notebook computers and other communication products
Other applications	Light-emitting keyboards, automotive dashboards, automotive decorative lighting, 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

We continually upgrade our research and development centers across all regions, investing substantial resources in the development of optical talent, precision machining, and process enhancement. Our dedication is towards broadening the use of optical products, emphasizing large scale, slimness, variety, and high-efficiency, energy-saving applications. Furthermore, we keep a close eye on the evolving trends in related industries and proactively participate in advanced technological research. This approach ensures we retain our status as a leading technology firm and strive to become a globally recognized, premier provider of optical components.

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

Year	R&D Results
2019	<ol style="list-style-type: none"> 1. 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. 2. 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. 3. 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	<ol style="list-style-type: none"> 1. Developed 3D light guide plate, which can be mounted on products with ergonomic design. 2. High-brightness/darkness contrast front panel for reflective reading displays. 3. Ring-shaped lighting structure with timing lighting control to create a uniform breathing flicker or running light visual effect. 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.

Year	R&D Results
2021	<ol style="list-style-type: none"> 1. Developed a new generation micro-nano mould processing equipment with dot angle controllable. 2. Developed high replication mold to improve the yield and stability of the process. 3. Atomization design, which can be used for light guide plate for exterior components. 4. Silicone light guide plate with elastic and compressive properties. 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.
2022	<ol style="list-style-type: none"> 1. Light guide plate paired with optical diaphragm to present an infinite visual extension effect of the light guide module. 2. Light guide plate paired with protective cover to meet different totem display applications when not lit and when lit. 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.
2023	<ol style="list-style-type: none"> 1. Our proprietary network computing software, when integrated with a distinct network architecture, has the potential to boost efficiency by 15-20% or decrease energy usage by 30%. 2. By integrating mini LED technology with an innovative dot structure and adhesive packaging methods for light guide panels, there is a substantial enhancement in optical efficiency. 3. Apply the visually infinite product to the brand logo, notebook casing, and external casing. 4. Develop a transparent light guide panel capable of displaying dynamic patterns on its transparent surface. 5. Successfully engineered bi-directional light guide panel products by introducing a novel manufacturing process that incorporates a distinctive network structure.

(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

Personnel \ Year	2021	2022	2023
Master and above	23	23	27
Bachelor	27	26	26
Junior college and below	45	46	46
Total	95	95	99

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

Unit: NT\$ thousands

Item	2019	2020	2021	2022	2023
R&D expense	168,623	186,930	200,822	252,526	245,672
Net revenue	5,286,248	11,205,768	10,883,071	9,723,576	5,939,876
Proportion to net revenue	3.19%	1.67%	1.85%	2.60%	4.14%

5.2 Overview of market, production and sales

5.2.1 Market analysis

(1) Sales (Service) Region

Unit: NT\$ thousands

Sales Region	2022		2023	
	Amount	%	Amount	%
Asia (Outside Taiwan)	8,061,509	82.91%	4,353,015	73.29%
R.O.C.	1,208,559	12.43%	954,701	16.07%
USA	400,030	4.11%	594,156	10.00%
Others	53,478	0.55%	38,004	0.64%
Total	9,723,576	100.00%	5,939,876	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. Continuously improve the production process, use intelligent production lines, and supplying superior quality products that are more competitive in the market.
- c. Expand the customer base to brand manufacturers and strive to incorporate additional supply chain modules.

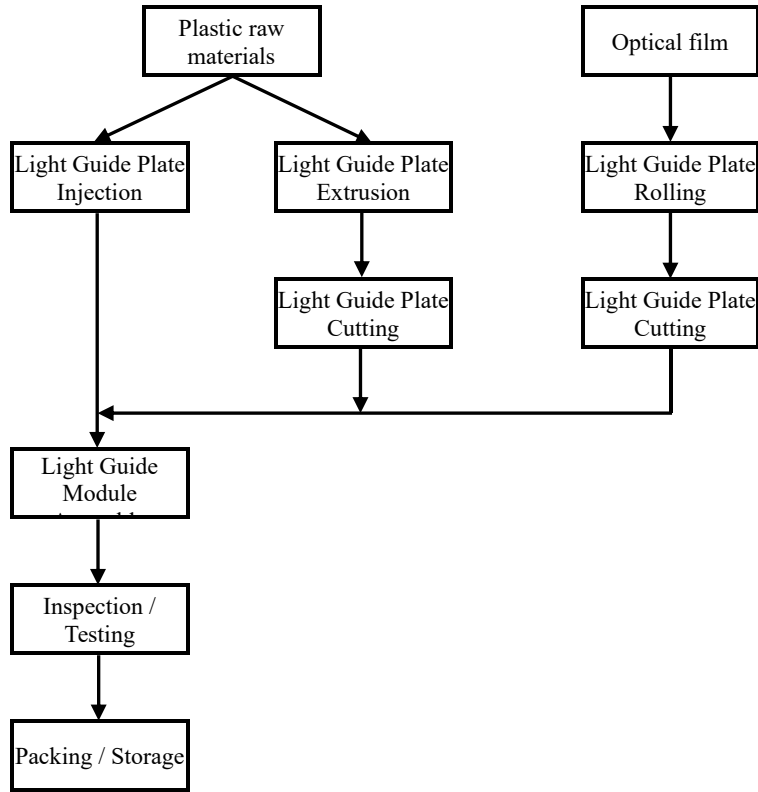
5.2.2 Major applications and production process of primary products

(1) Major applications of primary products

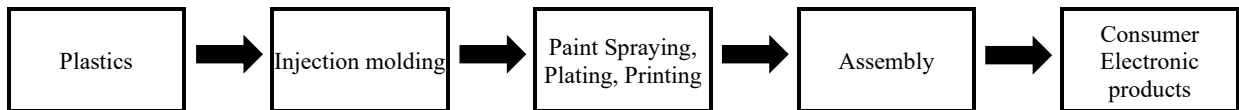
Commodity item	Important Use
Application of light guide plate	Lighting, illuminated keyboards, LCD displays, notebook computers, smart phones, automotive products, industrial instruments, and other light guide plate applications.
Plastic components	Automotive navigation devices, wearable products, and 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	SUMITOMO, Chi-mei Corporation, Mitsubishi Chemical	Good

5.2.4 List of major suppliers/customers

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

Unit: NT\$ thousands

Item	2022				2023			
	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	1,188,085	18.61	None	B	487,477	14.95	None
2	B	956,033	14.98	None	A	486,115	14.91	None
3	C	758,043	11.88	None	C	291,780	8.95	None
	Others	3,480,273	54.53	-	Others	1,994,473	61.19	-
	Net purchase	6,382,434	100.00	-	Net purchase	3,259,84	100.00	-

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; %

Item	2022				2023			
	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	3,702,455	38.08	None	A	1,309,310	22.04	None
2	B	2,733,681	28.11	None	B	1,155,925	19.46	None
3	C	993,744	10.22	None	C	745,393	12.55	None
	Others	2,293,696	23.59	-	Others	2,729,248	45.95	-
	Net sales	9,723,576	100.00	-	Net sales	5,939,876	100.00	-

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	2022			2023		
	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Primary Products						
Plastic components	33,000	12,202	917,083	29,000	10,114	730,821
Application of light guide plate	110,000	40,639	6,983,325	103,000	28,758	4,327,840
Total	143,000	52,841	7,900,408	132,000	38,872	5,058,661

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

Unit: NT\$ thousands; thousands of pieces

Year/Sales Volume and Value	2022				2023			
	Domestic Sales (Note 1)		Export Sales		Domestic Sales (Note 1)		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Primary Products								
Plastic components	-	-	12,202	1,031,726	-	-	10,114	778,950
Application of light guide plate	-	-	40,639	8,667,080	-	-	28,758	5,145,676
Others	-	-	Note 2	24,770	-	-	Note 2	15,250
Total	-	-	52,841	9,723,576	-	-	38,872	5,939,876

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	2024 Up to March 31
Number of employees	Executives of manager officer or above	46	49	52
	General employees	1,406	1,227	1,229
	Total	1,452	1,276	1,281
Average Age		33.71	35.80	36.41
Average years of services		4.84	6.12	6.91
Educational background distribution %	PhD	0.04	0.22	0.05
	Master	1.76	10.47	3.41
	Bachelor	25.05	39.87	28.89
	Senior high school or below	73.15	49.44	67.66

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 tech-transformation 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, and be approved on July 5, 2022.

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. The application for an extension of the wastewater license was submitted to the Department of Environmental Protection of the local government on November 17, 2024. The approved content was publicly announced and submitted on March 22, 2024, and we are currently awaiting the issuance of the license by the Department of Environmental Protection.

d. Water pollution prevention and control fees are paid every 6 months.

GLT-Taiwan Tongluo Branch

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. It needs to pay the air pollution control fee every quarter as scheduled.

◆ There were no new projects in 2022, and the control equipment was regularly maintained on a quarterly basis, with total annual expenses of approximately NT\$939,000.

◆ There were no new projects in 2023, and the control equipment was regularly maintained on a quarterly basis, with total annual expenses of approximately NT\$1,010,000.

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 2023, a new sand filter set for the air conditioning cooling tower (CT) was added at a cost of NT\$220,000. It is anticipated that this will be replaced by the 2024.

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

Certificate Name	Corporate Name	Incorporation Status	Approval No.
Discharge Permit	GLT-Suzhou Opto	Environmental protection officer has been set up	S.X.P. (2007) X.Z. No. 91
	GLT-Shanghai	Environmental protection officer has been set up	H.S.W.P.Z.Z. No. J.-23-08602262
Water Pollution Control Permit	GLT-Taiwan	No dedicated environmental	T.X.H.P.X.Z. No. H3425-02
Waste Clearing Plan			F.H.S.Z. No. H10212250003

Fixed Pollution Source Operation Permit		personnel required	Repealed (no operation permit required)
Water Pollution Control Permit	GLT-Optical	No dedicated environmental personnel required	Z.K.H.S.X.Z. No. KS063-04
Waste Clearing Plan			Z.H.Z. No. 1120005113
Fixed Pollution Source Operation Permit			Z.K.H.K.C.Z.Z. No. KS283-04
Pollutant Discharge Permit	GLT-Suzhou Opto	Environmental protection officer has been set up	No. 913205057624497287001X
	GLT-Zhongshan	Environmental protection officer has been set up	No. 91442000568254070E001Q

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, 2023 Unit: NT\$ thousands

Corporate Name	Equipment name	Number	Date of acquisition	Cost	Use and expected potential benefits
GLT-Suzhou Opto	Waste gas treatment equipment	1 set	2016/12/23	3,719	In line with environmental standards for exhaust emissions
	Oil-water separator	1 set	2017/2/15	17	In line with the comprehensive standards for sewage discharge
	Canteen oil fume purifier	1 set	2017/11/5	104	In line with environmental standards for exhaust emissions
	Laser machine exhaust gas collection and treatment	1 set	2018/5/28	219	In line with fixed pollution source emission standards
	Install anti return valve/well at the main outlet of rainwater/sewage	4 sets	2021/6/18	165	Preventing rainwater and sewage backflow outside the factory area
GLT-Taiwan	Activated carbon adsorption tower	3 sets	2013/1/31	2,073	In line with fixed pollution source emission standards
	Waste gas washing tower	2 sets	2013/8/31	3,734	In line with fixed pollution source emission standards

Corporate Name	Equipment name	Number	Date of acquisition	Cost	Use and expected potential benefits
	Dehydrator	1 set	2019/7/31	58	In line with fixed pollution source emission standards
	Wastewater treatment equipment	1 set	2014/1/31	744	In line with discharge water standards
	VOC exhaust gas treatment equipment (Tongluo Branch)	1 set	2016/5/1	12,900	In line with fixed pollution source emission standards
	Central dust collection equipment (Tongluo Branch)	1 set	2016/5/1	4,000	In line with fixed pollution source emission standards
		1 set	2017/11/1	2,500	
		1 set	107/12/31	420	
		1 set	109/12/14	241	
	Wastewater treatment equipment (Tongluo Branch)	1 set	2016/6/21	1,500	In line with discharge water standards
Central dust collection equipment (Tongluo Branch)	Half set	2019/3/21	1,600	In line with fixed pollution source emission standards	
GLT-Zhongshan	Waste gas treatment equipment	1 set	2012/1/1	1,019	In line with environmental standards for exhaust emissions
		1 set	2012/12/1	1,631	
		1 set	2014/3/1	1,376	
		1 set	2019/12/1	946	
GLT-Shanghai	Canteen oil fume purifier	1 set	2016/4/1	115	In line with environmental standards for exhaust emissions
	Waste gas treatment equipment	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	1 set	2017/12/1	684	In line with wastewater discharge standards

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. Tongluo Branch added a magazine type dust collector with a total of 5 units currently installed.
- B. 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.
- C. In order to achieve the goal of energy conservation and carbon reduction and improve the production environment of the workshop, GLT-Shanghai carried 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 2023, with an investment of RMB 1.188 million.
- D. In order to achieve the goal of energy saving and carbon reduction and improve the production environment of the workshop, GLT-Shanghai carried out the replacement of the air compressor in the plastic department and the improvement of the air pressure drainage system in 2023, with an investment of RMB 214,000.

(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) Expected new projects for GLT-Taiwan in 2023:

- A. Invested NT\$1,136,000 in the purchase of two new frequency conversion energy-saving air compressors to replace old air compressors.
- B. Invested NT\$2,010,000 to replace four variable frequency floor chiller water circulation area pumps in the plant and installed a variable frequency monitoring system, replacing outdated equipment.

Tongluo Branch

- A. A solar energy construction plan, with an estimated investment of NT\$90 million and a construction capacity of approximately 2000kWp.
- B. Due to the waterproofing work on the top floor, a follow-up assessment planning is expected in Q3 2024.

- (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 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.
- (4) In order to achieve carbon neutrality, GLT-Shanghai invested RMB 72,600 in 2023 to purchase green certificates for green energy power generation to offset energy consumption carbon emissions generated by electricity consumption. In 2024, it is expected to invest RMB 72,600 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	Unemployment	Basic medical	Maternity benefits
Corporate	16%	0.448%	0.5%	10%	-
Individual	8%	-	0.5%	2%	-

Insurance base: The minimum payment base for 2023 is NT\$7,310.

B. GLT-Suzhou Opto :

Proportion of payment	Pension insurance	Work-related injury	Unemployment	Basic medical	Maternity benefits
Corporate	16%	0.42%	0.5%	6%	0.8%
Individual	8%	-	0.5%	2%	-

Insurance base: The payment base for December 2023 is NT\$4,494.

C. GLT-Zhongshan :

Proportion of payment	Pension insurance	Work-related injury	Unemployment	Basic medical	Maternity benefits
Corporate	14%	0.8%	0.8%	3.3% (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

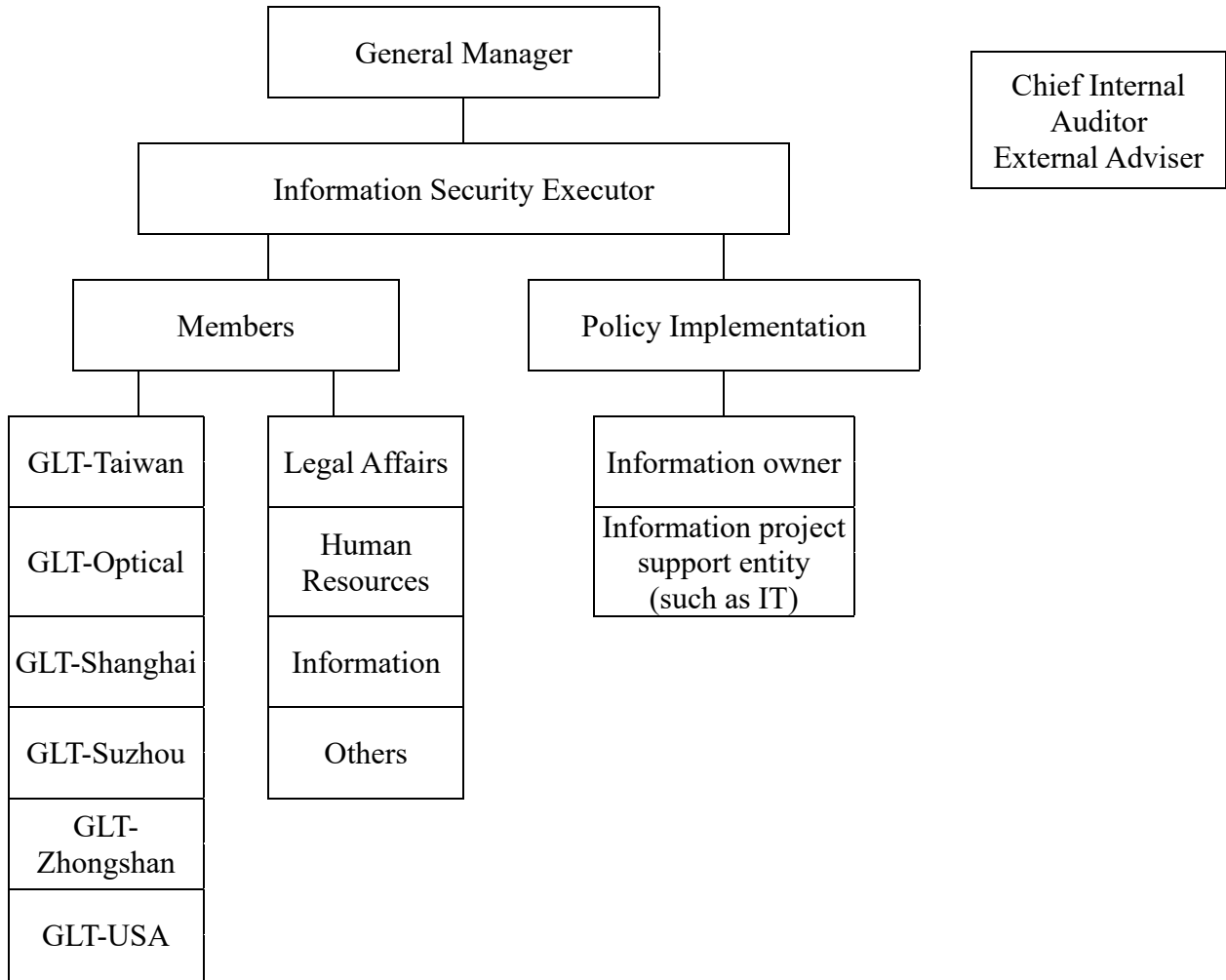
- A. Subject to ISO45001 Occupational Health and Safety Management System.
- B. Occupational safety and health education and training are regularly held to improve the safety awareness and ability of employees.
- C. The Company regularly implements general and special health examinations for employees 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 2023
Hardware asset counting	<ul style="list-style-type: none"> ◆ Equipments asset management acquisition and establishment of monitoring platforms ◆ Dashboard establishment to automatically collect and store an up-to-date list of assets
Software asset counting	<ul style="list-style-type: none"> ◆ Software asset management acquisition and establishment of monitoring platforms

Information Security Control Measures	Completed projects in 2023
	<ul style="list-style-type: none"> ◆ Additional software asset maintenance process and automatic reminder before maintenance contract expiration.
Continuous vulnerability management	<ul style="list-style-type: none"> ◆ Continuous replacement of software, hardware and operating systems that have stopped supporting (about 100 PCs in total this year) ◆ Assessment and procurement of a new version software development platform
Privileged account control	<ul style="list-style-type: none"> ◆ Check the usage status of the production line accounts and correct the owner of each account. ◆ Check if any existing equipment or software has a default account or password that has not been changed, and change the default account and password for all new assets.
Secure configuration management	<ul style="list-style-type: none"> ◆ Programming security profiles and standard configurations for licensed operating systems and software.
Maintenance, supervision, and analysis	<ul style="list-style-type: none"> ◆ Collaboration with internal and external auditors (6 times) to inspect and analyze existing equipment related logs
Email and browser access protection	<ul style="list-style-type: none"> ◆ Enable two-factor authentication for our Microsoft 365 account ◆ Email server credentials and patch updates <ol style="list-style-type: none"> 1. Credentials updated once 2. Two major updates to patch ◆ A major update for Spam software
Prevention of malware	<ul style="list-style-type: none"> ◆ Adjustment of the server's antivirus software scanning time ◆ Enable automatic anti-malware scans when connecting removable media ◆ Prohibition of automatic execution of content from removable media
Restriction and control of network communication ports	<ul style="list-style-type: none"> ◆ Firewall software (two major updates)
Data recovery	<ul style="list-style-type: none"> ◆ Backup recovery exercise <ol style="list-style-type: none"> 1. Data restoration: once a month ◆ Whole machine (leased hardware) restoration: twice a year
Network device security configuration	<ul style="list-style-type: none"> ◆ Regular review and update of network device configuration (configuration files are backed up monthly) ◆ Exception management and data visualization
Perimeter defense	<ul style="list-style-type: none"> ◆ Firewall strategy adjustment to block specific attacking IP addresses
Data protection	<ul style="list-style-type: none"> ◆ Introduction of new encryption and decryption software ◆ Hard drive disposal to enhance the physical failure process
Access control	<ul style="list-style-type: none"> ◆ Gradually adjust the usage of network drives and only provide access to authorized individuals.
Wireless network access	<ul style="list-style-type: none"> ◆ Non-certified equipment that is connected to the wireless network is considered untrusted and is subject to relevant filtering and isolation.
Account monitoring and control	<ul style="list-style-type: none"> ◆ Inventory production line utilization accounts and provide related services in accordance with the minimum requirements. ◆ Management service accounts ensure effective owner management.
Security awareness and training program	<ul style="list-style-type: none"> ◆ Implement information security education & training (twice) ◆ Participation of information security colleagues in information security training courses (4 times)
Application software security	<ul style="list-style-type: none"> ◆ Establishment of procedure for reporting information security incidents

Information Security Control Measures	Completed projects in 2023
Response and management of emergencies	◆ Maintenance and tracking of incident reports (2) and service outage records (13)
Penetration test and red team attack and defense exercise	◆ Review of current training needs for information security personnel

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 Contract	Principal	Valid period	Main Contents	Restrictive Terms
Intellectual Property License 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 Shanghai Municipal Administration of 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.	None
Land use	GLT-Suzhou Management Committee of Xushuguan Sub-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	None

Nature of Contract	Principal	Valid period	Main Contents	Restrictive Terms
	of Suzhou High-tech Zone		in Yangshan Industrial Park of Xushuguan Economic 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 Shiny 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- Taiwan Hsinchu Science Park Bureau	From August 1, 2023 to December 31, 2042	GLT- Taiwan Tongluo Branch leases the land use right at Gong 7th, Jiuhu Section, Tongluo Township, Miaoli County for the construction of plant, warehouse, and other business workplaces.	None
Land use	GLT-Vietnam Dong Van Iii-Hanam Industrial Zone Infrastructure Development & Investment Joint Stock Company	From November 27, 2023 to September 20, 2069	GLT-Vietnam leases the land use right at Dong Van Iv Ip, Ha Nam, Vitnam for the construction of plant, warehouse, and other business workplaces.	None
Insurance contract	The Company Shin Kong Insurance	From December 1, 2023 to December 1, 2024	Liability insurance for directors and managerial officers	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

Item	Year	Financial Information in the Most Recent Five Fiscal Years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		5,563,544	8,208,415	8,003,313	7,849,158	6,287,605
Property, plant and equipment		3,414,421	3,409,001	3,239,528	2,975,406	2,702,973
Intangible assets		-	-	-	-	-
Other assets		850,593	821,631	1,039,391	1,013,880	1,027,151
Total assets		9,828,558	12,439,047	12,282,232	11,838,444	10,017,729
Current liabilities	Before distribution	2,486,900	4,384,244	3,626,683	2,668,750	1,299,446
	After distribution	2,683,306	5,104,398	4,271,003	3,184,206	Note 2
Non-current liabilities		1,163,192	810,400	1,035,188	917,929	697,278
Total liabilities	Before distribution	3,650,092	5,194,644	4,661,871	3,586,679	1,996,724
	After distribution	3,846,498	5,914,798	5,306,191	4,102,135	Note 2
Equity attributable to owners of the parent company		6,178,466	7,244,403	7,620,361	8,251,765	8,021,005
Capital stock		1,309,371	1,309,371	1,309,371	1,288,641	1,288,641
Capital surplus		2,383,809	2,383,809	2,383,809	2,348,423	2,348,423
Retained earnings	Before distribution	2,659,153	3,818,420	4,373,013	4,658,407	4,477,236
	After distribution	2,462,747	3,098,266	3,728,693	4,142,951	Note 2
Other equity		(173,867)	(267,197)	(350,711)	(43,706)	(93,295)
Treasury stock		-	-	(95,121)	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	6,178,466	7,244,403	7,620,361	8,251,765	8,021,005
	After distribution	5,982,060	6,524,249	6,976,041	7,736,309	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

Item \ Year	Financial Information in the Most Recent Five Fiscal Years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenue	5,286,248	11,205,768	10,883,071	9,723,576	5,939,876
Gross profit	917,745	2,372,943	2,153,544	1,823,168	881,215
Operating profit (loss)	330,896	1,575,457	1,328,511	971,600	183,727
Non-operating income and expenses	27,579	(88,150)	15,862	200,869	221,851
Net profit before tax from continuing operations	358,475	1,487,307	1,344,373	1,172,469	405,578
Loss from suspension	-	-	-	-	-
Net profit (loss) for the period	344,564	1,355,051	1,275,133	1,037,282	331,402
Other comprehensive income (loss) for the period (net of tax)	(130,192)	(92,708)	(83,900)	312,116	(46,706)
Total comprehensive income for the period	214,372	1,262,343	1,191,233	1,349,398	284,696
Net profit attributable to owners of the parent company	344,564	1,355,051	1,275,133	1,037,282	331,402
Net profit attributable to non-controlling interests	-	-	-	-	-
Total consolidated profit and loss attributable to owners of the parent company	214,372	1,262,343	1,191,233	1,349,398	284,696
Total consolidated profit and loss attributable to non-controlling interests	-	-	-	-	-
Earnings per share	2.63	10.35	9.74	8.05	2.57

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
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
2023	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

Analysis Item		Financial Analysis for the Last Five Years				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt ratio	37.14	41.76	37.96	30.30	19.93
	Long-term funds to property, plant and equipment ratio	215.02	236.28	267.19	308.18	322.54
Solvency	Current ratio (%)	223.71	187.23	220.68	294.11	483.87
	Quick ratio (%)	189.14	162.66	181.47	243.51	439.32
	Interest coverage ratio	14.34	64.51	73.67	64.75	25.95
Operation performance	Receivables turnover rate (times)	3.23	4.96	4.06	4.42	3.61
	Average collection days	113	74	90	83	101
	Inventory turnover rate (times)	6.71	9.98	7.17	5.81	5.35
	Payables turnover rate (times)	3.96	4.54	3.56	4.06	3.95
	Average inventory turnover days	54	37	51	63	68
	Property, plant and equipment turnover rate (times)	1.57	3.28	3.27	3.12	2.09
	Total asset turnover (times)	0.57	1.01	0.88	0.80	0.54
Profitability	Return on assets (%)	3.96	12.33	10.43	8.72	3.15
	Return on equity (%)	5.61	20.19	17.16	13.07	4.07
	Pre-tax income to paid-in capital ratio (%)	27.38	113.59	102.67	90.98	31.47
	Net margin (%)	6.52	12.09	11.72	10.67	5.58
	Earnings per share (NT\$)	2.63	10.35	9.74	8.05	2.57
Cash flow	Cash flow ratio (%)	34.56	46.55	33.14	56.61	77.70
	Cash flow adequacy ratio (%)	88.85	100.11	89.31	114.67	117.86
	Cash reinvestment ratio (%)	7.45	16.59	4.05	6.78	3.93
Leverage	Operating leverage	10.94	5.93	6.73	8.00	24.75
	Financial leverage	1.09	1.02	1.01	1.02	1.10

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. Current ratio, quick ratio, and cash flow ratio: Mainly due to the decrease in short-term borrowings, accounts payable, and overall current liabilities.
2. Times interest earned and pre-tax net profit to paid-in capital ratio: Mainly due to the decrease in pre-tax net profit.
3. Cash reinvestment ratio: Mainly due to the decrease in after-tax net profit and the reduction in net cash flow from operating activities.
4. Return on assets, return on equity, net profit margin, and earnings per share: Mainly due to the decrease in after-tax net profit.
5. The average collection period, real estate, plant and equipment turnover rate, and total asset turnover rate: Mainly due to the decrease in sales.
6. Debt-to-asset ratio: Mainly due to the decrease in repayment of loans and the accounts payable and the decrease in overall liabilities.
7. Operating leverage: Mainly due to the decrease in operating income.

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).

6.3 Audit Committee's Review's Report

Global Lighting Technologies Inc. Audit Committee's Review Report

To the 2024 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 2023, 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 26, 2024

6.4 Independent Auditor's Report and Financial Statements for 2023, please refer to page 121 to page 191.

6.5 Parent Company Only Financial Statements for 2023: 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

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	6,287,605	7,849,158	(1,561,553)	(19.89)
Property, plant and equipment	2,702,973	2,975,406	(272,433)	(9.16)
Other assets	1,027,151	1,013,880	13,271	1.31
Total assets	10,017,729	11,838,444	(1,820,715)	(15.38)
Current liabilities	1,299,446	2,668,750	(1,369,304)	(51.31)
Non-current liabilities	697,278	917,929	(220,651)	(24.04)
Total liabilities	1,996,724	3,586,679	(1,589,955)	(44.33)
Capital stock	1,288,641	1,288,641	-	-
Capital surplus	2,348,423	2,348,423	-	-
Retained earnings	4,477,236	4,658,407	(181,171)	(3.89)
Other equity	(93,295)	(43,706)	(49,589)	113.46
Total equity	8,021,005	8,251,765	(230,760)	(2.80)
Description of material changes: (the change percentage is more than 20%)				
1. Current liabilities: Mainly due to the decrease in bank loans and accounts payable.				
2. Non-current liabilities: Mainly due to the decrease in bank loans.				
3. Total liabilities: Mainly due to the decrease in current liabilities.				
4. Other equity: Mainly due to the net change in exchange differences from the translation of financial statements of foreign operations.				

7.2 Financial performance

Financial Performance Analysis for the Last Two Years

Unit: NT\$ thousands

Item \ Year	2023	2022	Increase or decrease	
			Amount	Percentage of change %
Operating revenue	5,939,876	9,723,576	(3,783,700)	(38.91)
Operating costs	5,058,661	7,900,408	(2,841,747)	(35.97)
Gross profit	881,215	1,823,168	(941,953)	(51.67)
Operating expenses	697,488	851,568	(154,080)	(18.09)
Operating Income (loss)	183,727	971,600	(787,873)	(81.09)
Non-operating income and expenses	221,851	200,869	20,982	10.45
Profit before tax	405,578	1,172,469	(766,891)	(65.41)
Income tax expenses	74,176	135,187	(61,011)	(45.13)
Net income	331,402	1,037,282	(705,880)	(68.05)
Description of major changes: (amount changes of more than 20%)				
1. Revenue and operating costs: Mainly due to the decrease in customer demand and the decline in shipments.				
2. Gross profit: Mainly due to the decrease in operating revenues.				
3. Operating income: Mainly due to the decrease in gross profit.				
4. Pre-tax net income: Mainly due to the decrease in operating income.				
5. Income tax expense and net income for the period: Mainly due to the decrease in pre-tax net income.				

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

Item \ Year	2023	2022	Increase (decrease)	Percentage of change (%)
Investment activities	(120,517)	67,692	(188,209)	(278.04)
Financing activities	(1,211,690)	(1,141,596)	(70,094)	6.14
Change analysis:				
1. Operating activities were mainly caused by the decrease in cash inflows from operations.				
2. Investment activities were on account of the decrease in restricted deposits.				

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:

In order to consolidate the resources of the Group, the Company's Board of Directors resolved on June 6, 2023 that GLT-Taiwan and GLT-Optical be merged, with the base date of the merger being August 1, 2023, and that after the merger, GLT-Taiwan would be the surviving company and GLT-Optical would be the extinguished company. 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
SSOL	160,616	This is as a result of the recognition of reinvestment profit appraised by equity method.
SSDL	18,469	This is as a result of the recognition of reinvestment profit appraised by equity method.
SSTL	529,446	This is as a result of the recognition of reinvestment profit appraised by equity method.
SSEL	(104,026)	This is as a result of the recognition of reinvestment loss appraised by equity method.
SGL	(60,196)	This is as a result of the recognition of reinvestment loss appraised by equity method.
GLT-Optical	(179,988)	This is as a result of the recognition of reinvestment loss appraised by equity method.
GLT-Taiwan	(19,688)	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 2023 was NT\$179,012 thousand, and interest expenses were NT\$16,256 thousand. Due to the impact of the U.S. interest rate policy, interest income accounted for a slightly higher percentage of operating income and profit or loss for the year. Moving forward, the Company will closely monitor the trend of US dollar interest rates and maintain strong relationships with banks to minimize the impact of interest rate fluctuations on its operations.

(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\$270,000,000.

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

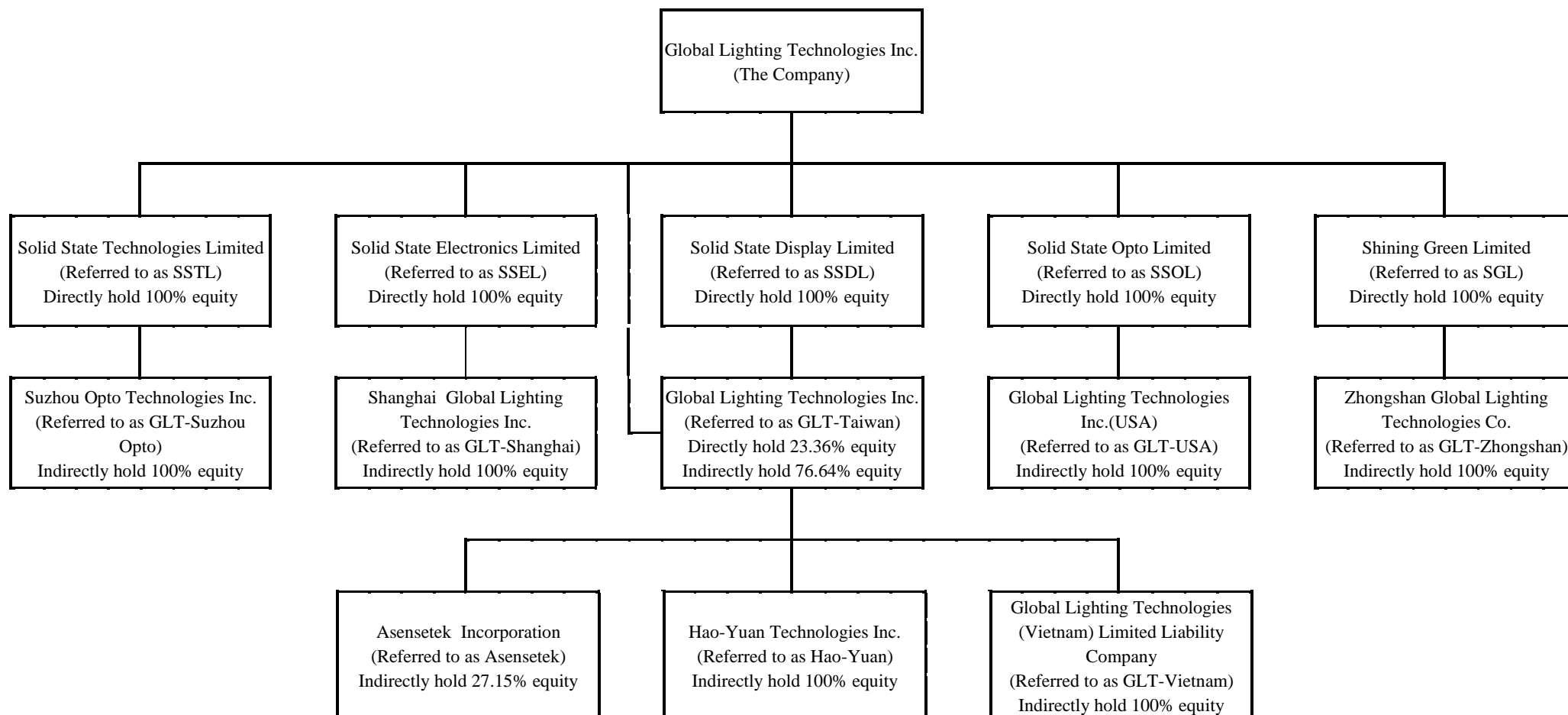
7.7 Other Material Matters: None

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, 2023 Unit : NT\$

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-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
GLT-Vietnam	9/22/2023	Production and sales of light guide plate application products, development of optical mold and production and sales of electronic matching plastic products	Lot CN13, Dong Van III Industrial Park, Duy Tien Town, Ha Nam, Vietnam	Vietnam	US\$6,000,000
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
Hao-Yuan	3/28/2013	General investment business	No. 1149, Section 3, Ming Chuan Road, Zhongli District, Taoyuan City, Taiwan, R.O.C.	Taiwan, ROC	NT\$1,000,000
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

Affiliate	Date of Establishment	Major Business or Products	Address	Nationality	Paid-inCapital
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\$13,200,000
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 :

Affiliate	Title	Name	Shareholding	
			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-Taiwan	Chairman	Solid State Display Limited Representative: Mang-Shiang Lee	111,519,956 shares	76.64%
	Supervisor	Global Lighting Technologies Inc. Representative: Kun-Ming Tsai	33,994,364 shares	23.36%
GLT-Shanghai	Chairman	Solid State Electronics Limited Representative: Chung-Lin Tsai	US\$20,000,000	100%
	Director	Solid State Electronics Limited Representative: Joe Song		
	Director	Solid State Electronics Limited Representative: Barry Lin		
	Supervisor	Solid State Electronics Limited Representative: Mei-Chen Chuang		
GLT-Suzhou Opto	Chairman	Solid State Electronics Limited Representative: Chung-Lin Tsai	US\$13,200,000	100%
	Director	Solid State Electronics Limited Representative: Joe Song		
	Director	Solid State Electronics Limited Representative: Nick Kuo		
	Supervisor	Solid State Electronics Limited Representative: Mei-Chen Chuang		

Affiliate	Title	Name	Shareholding	
			Shares (Capital Contribution)	%
GLT-Zhongshan	Chairman	Shining Green Limited Representative: Chung-Lin Tsai	US\$15,000,000	100%
	Director	Shining Green Limited Representative: Joe Song		
	Director	Shining Green Limited Representative: Jiann-Shiun Lin		
	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%
	Supervisor	Zhu Yan-Han	172,655 shares	6.43%
Hao-Yuan	Chairman	Global Lighting Technologies Inc. Representative: Mang-Shiang Lee	100,000 shares	100%

8.1.5 Financial status and operating results of affiliated companies:

December 31, 2023 Unite : NT\$

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\$46,911,362	US\$341,270	US\$46,570,092	US\$511,568	US\$1,244	(US\$3,841,984)	(US\$0.59)
SSOL	US\$9,950,167	US\$68,481,434	US\$37,315,304	US\$31,166,130	US\$95,703,843	US\$2,922,443	US\$5,151,701	US\$0.52
SSTL	US\$10,750,000	US\$65,812,140	US\$6,954,461	US\$58,857,679	US\$43,523,780	US\$8,969,499	US\$11,698,460	US\$1.09
SSDL	US\$35,144,141	US\$87,414,978	US\$1,372,034	US\$86,042,944	US\$4,637,620	US\$277,007	US\$279,785	US\$0.01
SGL	US\$15,000,000	US\$2,912,435	US\$0	US\$2,912,435	US\$0	US\$0	(US\$1,872,104)	(US\$0.12)
GLT-Taiwan	NT\$1,455,143,200	NT\$4,864,230,490	NT\$1,532,905,559	NT\$3,331,324,931	NT\$1,555,168,564	(NT\$100,103,413)	(NT\$23,437,053)	NT\$2.47
GLT-Vietnam	US\$6,000,000	US\$5,919,396	US\$0	US\$5,919,396	US\$0	(US\$11,545)	(US\$58,816)	-
GLT-Shanghai	US\$20,000,000	US\$56,662,294	US\$23,870,692	US\$32,791,602	US\$111,727,749	(US\$3,136,284)	(US\$2,493,215)	-
GLT-SuzhouOpto	US\$13,200,000	US\$31,393,256	US\$12,905,307	US\$18,487,949	US\$13,516,939	US\$278,689	US\$1,172,714	-
GLT-Zhongshan	US\$15,000,000	US\$12,457,236	US\$9,545,013	US\$2,912,223	US\$4,624,486	(US\$1,904,503)	(US\$1,872,104)	-
GLT-USA	US\$7,247,343	US\$20,203,788	US\$3,970,351	US\$16,233,437	US\$20,445,022	US\$1,569,258	US\$1,453,214	US\$14,532.14
Asensetek	NT\$26,834,990	NT\$1,991,776	NT\$583,413	NT\$1,408,363	NT\$0	(NT\$1,292,645)	(NT\$1,946,591)	(NT\$0.73)
Hao-Yuan	NT\$1,000,000	NT\$8,915,417	NT\$0	NT\$8,915,417	NT\$0	(NT\$140)	NT\$18,819	NT\$0.19

- 8.1.6 Consolidated financial statements of affiliated companies: Please refer to page 121 to page 191.
- 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, 2023 and 2022 and
Independent Auditors' Report**

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, 2023 and 2022, 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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, 2023. 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, 2023 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, 2023 was \$1,152,195 thousand, which accounted for 19% 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, 2023.

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.
2. 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, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chao-Mei Chen and Cheng-Chuan Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2024

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.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,352,852	44	\$ 4,690,814	40
Financial assets at amortized cost (Notes 4 and 7)	-	-	3,800	-
Notes receivable (Notes 4, 9 and 21)	-	-	15	-
Accounts receivable (Notes 4, 9 and 21)	1,377,975	14	1,859,828	16
Accounts receivable - related parties (Notes 4, 21 and 28)	21,763	-	26,736	-
Other receivables (Notes 4 and 9)	6,606	-	6,381	-
Current tax assets (Notes 4 and 23)	6,770	-	104	-
Inventories (Notes 4 and 10)	503,520	5	1,237,788	10
Prepayments	15,256	-	21,596	-
Other current assets	2,863	-	2,096	-
Total current assets	<u>6,287,605</u>	<u>63</u>	<u>7,849,158</u>	<u>66</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	322,045	3	279,327	3
Property, plant and equipment (Notes 4, 14 and 28)	2,702,973	27	2,975,406	25
Right-of-use assets (Notes 4 and 15)	633,681	6	667,078	6
Deferred tax assets (Notes 4 and 23)	21,032	-	31,413	-
Prepayments for equipment (Note 25)	1,607	-	3,418	-
Net defined benefit assets (Notes 4 and 18)	14,816	-	13,387	-
Other non-current assets (Notes 11 and 29)	33,970	1	19,257	-
Total non-current assets	<u>3,730,124</u>	<u>37</u>	<u>3,989,286</u>	<u>34</u>
TOTAL	<u>\$ 10,017,729</u>	<u>100</u>	<u>\$ 11,838,444</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ -	-	\$ 400,000	3
Contract liabilities (Note 21)	3,014	-	2,454	-
Accounts payable	814,500	8	1,476,484	12
Accounts payable - related parties (Note 28)	114,938	1	153,579	1
Other payables (Note 17)	312,266	3	427,031	4
Other payables - related parties (Note 28)	6,432	-	9,428	-
Current tax liabilities (Notes 4 and 23)	15,196	-	85,562	1
Lease liabilities (Notes 4, 15 and 28)	26,240	1	25,930	-
Long-term borrowings - current portion (Note 16)	-	-	82,500	1
Other current liabilities	6,860	-	5,782	-
Total current liabilities	<u>1,299,446</u>	<u>13</u>	<u>2,668,750</u>	<u>22</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	-	-	187,500	2
Provision for employee benefits (Notes 4 and 18)	7,895	-	7,826	-
Deferred tax liabilities (Notes 4 and 23)	3,886	-	2,743	-
Lease liabilities (Notes 4, 15 and 28)	623,163	6	652,581	5
Long-term deferred revenue (Note 19)	62,334	1	67,279	1
Total non-current liabilities	<u>697,278</u>	<u>7</u>	<u>917,929</u>	<u>8</u>
Total liabilities	<u>1,996,724</u>	<u>20</u>	<u>3,586,679</u>	<u>30</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Share capital	1,288,641	13	1,288,641	11
Capital surplus	2,348,423	23	2,348,423	20
Retained earnings				
Special reserve	43,706	1	350,711	3
Unappropriated earnings	4,433,530	44	4,307,696	36
Total retained earnings	4,477,236	45	4,658,407	39
Other equity	(93,295)	(1)	(43,706)	-
Total equity attributable to owners of the Company	<u>8,021,005</u>	<u>80</u>	<u>8,251,765</u>	<u>70</u>
Total equity	<u>8,021,005</u>	<u>80</u>	<u>8,251,765</u>	<u>70</u>
TOTAL	<u>\$ 10,017,729</u>	<u>100</u>	<u>\$ 11,838,444</u>	<u>100</u>

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

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 28)	\$ 5,939,876	100	\$ 9,723,576	100
OPERATING COSTS (Notes 10, 22 and 28)	<u>5,058,661</u>	<u>85</u>	<u>7,900,408</u>	<u>81</u>
GROSS PROFIT	<u>881,215</u>	<u>15</u>	<u>1,823,168</u>	<u>19</u>
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing	148,094	3	239,453	2
General and administrative	303,722	5	359,589	4
Research and development	<u>245,672</u>	<u>4</u>	<u>252,526</u>	<u>3</u>
Total operating expenses	<u>697,488</u>	<u>12</u>	<u>851,568</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>183,727</u>	<u>3</u>	<u>971,600</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Interest income	179,012	3	47,373	-
Other income (Note 19)	11,188	-	21,478	-
Other gains and losses	47,907	1	150,283	2
Finance costs (Note 28)	<u>(16,256)</u>	<u>-</u>	<u>(18,265)</u>	<u>-</u>
Total non-operating income and expenses	<u>221,851</u>	<u>4</u>	<u>200,869</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	405,578	7	1,172,469	12
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(74,176)</u>	<u>(1)</u>	<u>(135,187)</u>	<u>(1)</u>
NET PROFIT	<u>331,402</u>	<u>6</u>	<u>1,037,282</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	669	-	6,389	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 20)	14,081	-	(18,029)	-

(Continued)

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

	2023		2022	
	Amount	%	Amount	%
Exchange differences on translation to the presentation currency (Note 20)	\$ (6,673)	-	\$ 816,052	8
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	<u>(134)</u>	<u>-</u>	<u>(1,278)</u>	<u>-</u>
	<u>7,943</u>	<u>-</u>	<u>803,134</u>	<u>8</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 20)	<u>(54,649)</u>	<u>(1)</u>	<u>(491,018)</u>	<u>(5)</u>
Total other comprehensive income (loss)	<u>(46,706)</u>	<u>(1)</u>	<u>312,116</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 284,696</u>	<u>5</u>	<u>\$ 1,349,398</u>	<u>14</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 331,402	6	\$ 1,037,282	11
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 331,402</u>	<u>6</u>	<u>\$ 1,037,282</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 284,696	5	\$ 1,349,398	14
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 284,696</u>	<u>5</u>	<u>\$ 1,349,398</u>	<u>14</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 2.57</u>		<u>\$ 8.05</u>	
Diluted	<u>\$ 2.56</u>		<u>\$ 8.02</u>	

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

(Concluded)

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company (Note 20)							
	Share Capital	Capital Surplus	Retained Earnings		Other Equity		Treasury Shares	Total Equity
			Special Reserve	Unappropriated Earnings	Exchange Differences on Translation the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2022	\$ 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	-	-	83,514	(83,514)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(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)
Cancellation of treasury shares	(20,730)	(35,386)	-	(112,679)	-	-	168,795	-
BALANCE AT DECEMBER 31, 2022	1,288,641	2,348,423	350,711	4,307,696	(19,592)	(24,114)	-	8,251,765
Appropriation of 2022 earnings								
Reversal of special reserve	-	-	(307,005)	307,005	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(515,456)	-	-	-	(515,456)
Net profit for the year ended December 31, 2023	-	-	-	331,402	-	-	-	331,402
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	535	(61,322)	14,081	-	(46,706)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	331,937	(61,322)	14,081	-	284,696
Disposal of investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	2,348	-	(2,348)	-	-
BALANCE AT DECEMBER 31, 2023	\$ 1,288,641	\$ 2,348,423	\$ 43,706	\$ 4,433,530	\$ (80,914)	\$ (12,381)	\$ -	\$ 8,021,005

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

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 405,578	\$ 1,172,469
Adjustments for:		
Depreciation expense	371,707	404,293
Interest expense	16,256	18,265
Interest income	(179,012)	(47,373)
Gain on disposal of property, plant and equipment	(4,358)	(444)
Unrealized (gain) loss on foreign currency exchanges	(38,185)	9,336
Loss on inventories valuation and obsolescence	4,562	17,879
Amortization of long-term deferred revenue	(3,904)	(17,097)
Net changes in operating assets and liabilities		
Notes receivable	15	13
Accounts receivable	479,191	700,653
Accounts receivable - related parties	4,664	15,549
Other receivables	(1,760)	(1,645)
Other receivables - related parties	-	1,214
Inventories	729,381	82,355
Prepayments	6,189	8,915
Other current assets	(779)	3,180
Net defined benefit assets	(760)	(629)
Contract liabilities	560	(1,245)
Accounts payable	(659,307)	(741,805)
Accounts payable - related parties	(38,760)	27,019
Other payables	(103,716)	(50,579)
Other payables - related parties	(2,663)	1,172
Other current liabilities	1,116	(2,914)
Provision for employee benefits	69	(765)
Cash generated from operations	<u>986,084</u>	<u>1,597,816</u>
Interest received	180,626	45,947
Interest paid	(16,928)	(17,928)
Income tax paid	<u>(140,085)</u>	<u>(114,942)</u>
Net cash generated from operating activities	<u>1,009,697</u>	<u>1,510,893</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(50,000)	-
Proceeds from liquidation of financial assets at fair value through other comprehensive income	21,528	-
Acquisition of financial assets at amortized cost	-	(3,800)
Principal from financial assets measured at amortized cost	-	8,031
Payments for property, plant and equipment (Note 25)	(85,895)	(91,756)
Proceeds from disposal of property, plant and equipment	4,978	456
Decrease in refundable deposits	479	2,586

(Continued)

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

	2023	2022
Decrease in other financial assets - restricted assets	\$ 3,259	\$ 152,175
Increase in other non-current assets	<u>(14,866)</u>	<u>-</u>
Net cash (used in) generated from investing activities	<u>(120,517)</u>	<u>67,692</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	835,000	3,061,000
Decrease in short-term borrowings	(1,235,000)	(3,459,000)
Repayments of long-term borrowings	(270,000)	-
Repayment of the principal portion of lease liabilities	(26,234)	(25,602)
Cash dividends distributed	(515,456)	(644,320)
Payments for buy-back of ordinary shares	<u>-</u>	<u>(73,674)</u>
Net cash used in financing activities	<u>(1,211,690)</u>	<u>(1,141,596)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(15,452)</u>	<u>265,269</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(337,962)	702,258
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,690,814</u>	<u>3,988,556</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 4,352,852</u>	<u>\$ 4,690,814</u>

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

(Concluded)

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

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 26, 2024.

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

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

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

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

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

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

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. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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 IFRS Accounting Standards 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.

Business combinations under common control are accounted for by applying the book-value method with group restructuring, which may not affect the preparation of consolidated financial statements.

See Note 12, Table 7 and Table 8 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:

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

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 rereasurement) 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. Rereasurement, 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. Rereasurement 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 rereasurement 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 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. MATERIAL 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.

When developing material accounting estimates, the Group considers the possible impact of the climate change and related government policies and regulations on cash flow projection, growth rate, discount rate, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2023	2022
Cash on hand	\$ 2,048	\$ 2,405
Checking accounts and demand deposits	4,350,444	4,319,529
Cash equivalents		
Time deposits with original maturities of 3 months or less	<u>360</u>	<u>368,880</u>
	<u>\$ 4,352,852</u>	<u>\$ 4,690,814</u>

7. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	2023	2022
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ -</u>	<u>\$ 3,800</u>

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Non-current</u>		
Domestic investments		
Unlisted shares		
Top Taiwan XIII Venture Capital Co., Ltd.	\$ 94,800	\$ 86,800
J-MEX Inc.	55,700	-
Chi Lin Optoelectronics Co., Ltd.	<u>-</u>	<u>8,267</u>
	<u>150,500</u>	<u>95,067</u>
Foreign investments		
Unlisted shares		
Sensel Inc.	<u>171,545</u>	<u>184,260</u>
	<u>\$ 322,045</u>	<u>\$ 279,327</u>

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 August 2023, the Group participated in the capital increase of J-MEX Inc. and acquired 5,000 thousand shares with \$50,000 thousand for medium- to long-term strategic purposes; the management designated these investments as at FVTOCI.

Chi Lin Optoelectronics Co., Ltd., resolved to liquidate in June 2023, and the Group received the residual liquidation proceeds in amount of \$21,528 thousand in October 2023, and its related unrealized valuation gain of \$2,348 thousand was transferred from other equity to retained earnings.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ -	\$ 15
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 15</u>
<u>Accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 1,377,975	\$ 1,859,828
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 1,377,975</u>	<u>\$ 1,859,828</u>
<u>Other receivables</u>		
At amortized cost	<u>\$ 6,606</u>	<u>\$ 6,381</u>

a. Notes receivable and accounts receivable

The average credit period of sales of goods is 60 to 120 days on a monthly basis. 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 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 assesses the possibility of recovery based on the past due days of accounts receivable and determines the expected credit loss rate by reference to default risk as a weight.

The Group writes off a trade receivable when there is evidence 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	
	2023	2022
	Not Past Due	Not Past Due
Expected credit loss rate	0%	0%
Gross carrying amount	\$ -	\$ 15
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ -</u>	<u>\$ 15</u>

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

December 31, 2023

	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	\$ 1,278,307	\$ 93,395	\$ 5,540	\$ 343	\$ -	\$ 390	\$ -	\$ 1,377,975
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 1,278,307</u>	<u>\$ 93,395</u>	<u>\$ 5,540</u>	<u>\$ 343</u>	<u>\$ -</u>	<u>\$ 390</u>	<u>\$ -</u>	<u>\$ 1,377,975</u>

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	\$ 1,730,811	\$ 116,542	\$ 11,392	\$ 442	\$ -	\$ 641	\$ -	\$ 1,859,828
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 1,730,811</u>	<u>\$ 116,542</u>	<u>\$ 11,392</u>	<u>\$ 442</u>	<u>\$ -</u>	<u>\$ 641</u>	<u>\$ -</u>	<u>\$ 1,859,828</u>

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

	2023	2022
Balance at January 1	\$ -	\$ -
Add: Impairment loss recognized	650	-
Less: Reversal of impairment loss	(650)	-
Foreign exchange gains and losses	<u>-</u>	<u>-</u>
Balance at December 31	<u>\$ -</u>	<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, 2023 and 2022, the Group assessed that the expected credit loss of other receivables was considered to be 0%.

10. INVENTORIES

	December 31	
	2023	2022
Raw materials	\$ 219,538	\$ 464,223
Work in process	33,978	28,036
Finished goods	225,202	679,783
Inventory in transit	<u>24,802</u>	<u>65,746</u>
	<u>\$ 503,520</u>	<u>\$ 1,237,788</u>

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

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	\$ 5,054,099	\$ 7,882,529
Inventory write-downs	<u>4,562</u>	<u>17,879</u>
	<u>\$ 5,058,661</u>	<u>\$ 7,900,408</u>

11. OTHER ASSETS

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Non-current</u>		
Other financial assets - restricted assets (Note 29)	\$ 18,510	\$ 17,969
Prepayments for land use rights (Note 30)	14,657	-
Refundable deposits	<u>803</u>	<u>1,288</u>
	<u>\$ 33,970</u>	<u>\$ 19,257</u>

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	<u>Proportion of Ownership (%)</u>	
			<u>December 31</u>	<u>2022</u>
Global Lighting Technologies Inc. (Cayman)	Solid State OPTO Limited (BVI) (Solid State OPTO)	Holding company engaged in the sale of products	100.00	100.00
	Solid State Display Limited (BVI) (Solid State Display)	Holding company engaged in the sale of products	100.00	100.00
	Solid State Technology Limited (BVI) (Solid State Technology)	Holding company engaged in the sale of products	100.00	100.00
	Solid State Electronics Limited (BVI) (Solid State Electronics)	Holding company engaged in the sale of products	100.00	100.00
	Shining Green Limited (Shining Green)	Holding company	100.00	100.00
	GLT Optical Inc. (GLT-Optical) (Notes 1 and 2)	Design, production, and sale of applications of light guide plates	-	100.00
	Global Lighting Technologies Inc. (GLT-Taiwan) (Note 2)	Design, production, and sale of applications of light guide plates, design and production of optical molds, and sales of plastic products for electronic components	23.36	-
	Solid State OPTO	Global Lighting Technologies Inc. (GLT-USA)	Design and sale of applications of light guide plates	100.00
Solid State Display	Global Lighting Technologies Inc. (GLT-Taiwan) (Note 2)	Design, production, and sale of applications of light guide plates, design and production of optical molds, and sales of plastic products for electronic components	76.64	100.00
Solid State Technology	Suzhou Opto Technologies Inc. (GLT-Suzhou Opto) (Note 4)	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	100.00	100.00
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	100.00	100.00
Shining Green	Zhongshan Global Lighting Technology Limited Co. (GLT-Zhongshan)	Production, and sale of applications of light guide plates	100.00	100
Global Lighting Technologies Inc. (Taiwan)	Hao Yuan Technology Limited Co. (Hao Yuan Technology) (Note 5)	Investment industry; wholesale and retail sale of electronic materials	100.00	100.00
	Global Lighting Technologies (Vietnam) Limited Liability Company (GLT-Vietnam) (Note 3)	Production and sale of applications of light guide plates, design of optical molds, and production and sale of plastic products for electronic components	100.00	-

- Note 1: In order to strengthen GLT-Optical's financial structure, the Company's board of directors resolved to reduce the capital by \$600,000 thousand to offset a deficit on February 23, 2023. The total paid-in capital after the reduction was \$250,894 thousand. The procedure for alteration registration was completed on March 31, 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 GLT-Optical by \$600,000 thousand on February 23, 2023. The procedure for alteration registration was completed on May 18, 2023.
- Note 2: In order to integrate the Group's resources, the Company's board of directors resolved to consolidate GLT-Taiwan and GLT-Optical on June 6, 2023, and set the base date for the consolidation as August 1, 2023. After the consolidation, GLT-Taiwan would be the surviving company, and GLT-Optical would be the dissolved company. Moreover, Solid State Display's ownership of GLT-Taiwan decreased from 100% to 76.64%, and the Company's ownership of GLT-Taiwan increased to 23.36%. On September 21, 2023, it was approved by the Department of Investment Review. On November 21, 2023, the registration of equity change and dissolution were completed by the Ministry of Economic Affairs.
- Note 3: In September 2023, the Company established GLT-Vietnam with a registered capital of US\$15,000 thousand. GLT-Vietnam is mainly engaged in production and sale of applications of light guide plates, design of optical molds, and production and sale of plastic products for electronic components. To align with the Group's capital arrangement, it is planned to process capital injections in stages according to the progress of plant establishment. As of December 31, 2023, the Company had invested \$188,244 thousand (US\$6,000 thousand).
- Note 4: In order to enhance the Group's capital planning, the board of directors of GLT-Suzhou Opto resolved to reduce the capital by US\$8,000 thousand on November 9, 2023. The procedure of capital reduction was completed and approved by Suzhou Market Supervisory Authority on December 29, 2023. The total paid-in capital after the reduction was US\$13,200 thousand. The refunded capital has been repatriated in January 2024.
- Note 5: In order to improve the return on the shareholders' equity and the return of idle funds to the shareholders, the board of directors of Hao Yuan Technology resolved to reduce capital by \$13,000 thousand on November 15, 2023. After the capital reduction, the paid-in capital was \$1,000 thousand, and the procedure for alteration registration has been completed.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31</u>	
	2023	2022
<u>Associates that is not individually material</u>		
Unlisted shares		
Asensetek Incorporation	\$ _____ -	\$ _____ -
Proportion of the Group's ownership:		
	<u>December 31</u>	
	2023	2022
Asensetek Incorporation	27.15%	27.15%

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, 2023 and 2022 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, 2023	\$ 167,176	\$ 2,518,718	\$ 3,166,362	\$ 67,276	\$ 198,382	\$ 414,014	\$ 58,293	\$ 6,590,221
Additions	-	5,753	49,209	3,127	-	10,110	9,127	77,326
Disposals	-	-	(50,548)	-	-	(4,398)	-	(54,946)
Reclassifications	-	4,072	29,136	-	659	1,463	(35,330)	-
Effects of foreign currency exchange differences	-	(12,651)	(26,674)	(1,191)	(3,000)	(4,247)	(22)	(47,785)
Balance at December 31, 2023	<u>167,176</u>	<u>2,515,892</u>	<u>3,167,485</u>	<u>69,212</u>	<u>196,041</u>	<u>416,942</u>	<u>32,068</u>	<u>6,564,816</u>
Accumulated depreciation and impairment								
Balance at January 1, 2023	-	873,401	2,214,516	63,098	103,678	360,122	-	3,614,815
Depreciation expenses	-	86,866	221,511	4,361	7,703	21,110	-	341,551
Disposals	-	-	(50,548)	-	-	(3,778)	-	(54,326)
Reclassifications	-	-	-	-	-	-	-	-
Effects of foreign currency exchange differences	-	(7,765)	(25,927)	(1,145)	(1,551)	(3,809)	-	(40,197)
Balance at December 31, 2023	<u>-</u>	<u>952,502</u>	<u>2,359,552</u>	<u>66,314</u>	<u>109,830</u>	<u>373,645</u>	<u>-</u>	<u>3,861,843</u>
Carrying amount at December 31, 2023	<u>\$ 167,176</u>	<u>\$ 1,563,390</u>	<u>\$ 807,933</u>	<u>\$ 2,898</u>	<u>\$ 86,211</u>	<u>\$ 43,297</u>	<u>\$ 32,068</u>	<u>\$ 2,702,973</u>
Cost								
Balance at January 1, 2022	\$ 167,176	\$ 2,497,457	\$ 3,095,473	\$ 64,935	\$ 193,808	\$ 410,422	\$ 56,928	\$ 6,486,199
Additions	-	3,513	49,620	1,397	-	10,228	37,205	101,963
Disposals	-	(5,092)	(11,191)	-	-	(20,286)	-	(36,569)
Reclassifications	-	12,200	12,919	-	-	10,761	(35,880)	-
Effects of foreign currency exchange differences	-	10,640	19,541	944	4,574	2,889	40	38,628
Balance at December 31, 2022	<u>167,176</u>	<u>2,518,718</u>	<u>3,166,362</u>	<u>67,276</u>	<u>198,382</u>	<u>414,014</u>	<u>58,293</u>	<u>6,590,221</u>
Accumulated depreciation and impairment								
Balance at January 1, 2022	-	785,819	1,986,389	52,036	92,661	329,766	-	3,246,671
Depreciation expenses	-	87,136	229,297	10,360	7,945	39,396	-	374,134
Disposals	-	(5,080)	(11,191)	-	-	(20,286)	-	(36,557)
Reclassifications	-	-	(7,942)	-	-	7,942	-	-
Effects of foreign currency exchange differences	-	5,526	17,963	702	3,072	3,304	-	30,567
Balance at December 31, 2022	<u>-</u>	<u>873,401</u>	<u>2,214,516</u>	<u>63,098</u>	<u>103,678</u>	<u>360,122</u>	<u>-</u>	<u>3,614,815</u>
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>	<u>\$ 58,293</u>	<u>\$ 2,975,406</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	3-31 years
Machine equipment	2-10 years
Molding equipment	2-7 years
Leasehold improvements	3-25 years
Other equipment	2-10 years

There was no indication of impairment of the property, plant and equipment for the years ended December 31, 2023 and 2022.

For information about capitalized interest for the years ended December 31, 2023 and 2022, refer to Note 22(d).

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Carrying amount</u>		
Land	\$ 401,215	\$ 411,224
Buildings	189,293	209,614
Land use rights	40,793	42,829
Transportation equipment	315	220
Other equipment	<u>2,065</u>	<u>3,191</u>
	<u>\$ 633,681</u>	<u>\$ 667,078</u>
	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Additions to right-of-use assets	<u>\$ 480</u>	<u>\$ 1,346</u>
Depreciation charge for right-of-use assets		
Land	\$ 10,010	\$ 9,999
Buildings	17,282	17,201
Land use rights	1,341	1,346
Transportation equipment	380	518
Other equipment	<u>1,143</u>	<u>1,095</u>
	<u>\$ 30,156</u>	<u>\$ 30,159</u>

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, 2023 and 2022.

b. Lease liabilities

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Carrying amount</u>		
Current	\$ 26,240	\$ 25,930
Non-current	<u>\$ 623,163</u>	<u>\$ 652,581</u>

The discount rates for lease liabilities were as follows:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Land	1.555%	1.555%
Buildings	1.750%-4.750%	1.750%-4.750%
Transportation equipment	3.700%	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	
	2023	2022
Expenses relating to short-term leases	<u>\$ 8,880</u>	<u>\$ 11,546</u>
Expenses relating to low-value asset leases	<u>\$ 1,729</u>	<u>\$ 1,590</u>
Total cash outflow for leases	<u>\$ (48,086)</u>	<u>\$ (50,513)</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	
	2023	2022
<u>Unsecured borrowings</u>		
Line of credit borrowing	<u>\$ -</u>	<u>\$ 400,000</u>

The range of interest rates on bank short-term loans was 2.21% per annum at December 31, 2022.

b. Long-term borrowings

	December 31	
	2023	2022
<u>Unsecured borrowings</u>		
Chinatrust Commercial Bank	\$ -	\$ 270,000
Less: Current portion	<u>-</u>	<u>(82,500)</u>
Long-term borrowings	<u>\$ -</u>	<u>\$ 187,500</u>

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. However, GLT-Optical was consolidated with GLT-Taiwan on August 1, 2023, and the loan was fully repaid in August 2023. As of December 31, 2022, the interest rate of the loan was 0.625% per annum.

17. OTHER PAYABLES

	December 31	
	2023	2022
Payables for salaries and bonuses	\$ 218,880	\$ 287,608
Payables for purchase equipment	10,920	20,985
Payables for commission	10,493	27,058
Others	<u>71,973</u>	<u>91,380</u>
	<u>\$ 312,266</u>	<u>\$ 427,031</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 Opto 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 the 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, GLT-Vietnam 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 Ended December 31	
	2023	2022
Operating costs	<u>\$ 55,019</u>	<u>\$ 60,263</u>
Operating expenses	<u>\$ 16,055</u>	<u>\$ 15,651</u>

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	
	2023	2022
Present value of defined benefit obligation	\$ (16,549)	\$ (16,780)
Fair value of plan assets	<u>31,365</u>	<u>30,167</u>
Net defined benefit assets	<u>\$ 14,816</u>	<u>\$ 13,387</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, 2022	\$ (20,914)	\$ 27,283	\$ 6,369
Net interest (expense) income	<u>(105)</u>	<u>138</u>	<u>33</u>
Recognized in profit or loss	<u>(105)</u>	<u>138</u>	<u>33</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	2,150	2,150
Actuarial gain			
Changes in financial assumptions	1,937	-	1,937
Experience adjustments	<u>2,302</u>	<u>-</u>	<u>2,302</u>
Recognized in other comprehensive income	<u>4,239</u>	<u>2,150</u>	<u>6,389</u>
Contributions from employer	<u>-</u>	<u>596</u>	<u>596</u>
Balance at December 31, 2022	<u>(16,780)</u>	<u>30,167</u>	<u>13,387</u>
Net interest (expense) income	<u>(252)</u>	<u>457</u>	<u>205</u>
Recognized in profit or loss	<u>(252)</u>	<u>457</u>	<u>205</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Asset
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ 186	\$ 186
Actuarial gain			
Changes in financial assumptions	(404)	-	(404)
Experience adjustments	<u>887</u>	<u>-</u>	<u>887</u>
Recognized in other comprehensive income	<u>483</u>	<u>186</u>	<u>669</u>
Contributions from employer	<u>-</u>	<u>555</u>	<u>555</u>
Balance at December 31, 2023	<u>\$ (16,549)</u>	<u>\$ 31,365</u>	<u>\$ 14,816</u> (Concluded)

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	
	2023	2022
Discount rate(s)	1.250%	1.500%
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	
	2023	2022
Discount rate(s)		
0.25% increase	<u>\$ (404)</u>	<u>\$ (439)</u>
0.25% decrease	<u>\$ 419</u>	<u>\$ 456</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 405</u>	<u>\$ 442</u>
0.25% decrease	<u>\$ (392)</u>	<u>\$ (428)</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	
	2023	2022
The expected contributions to the plan for the next year	<u>\$ 574</u>	<u>\$ 551</u>
The average duration of the defined benefit obligation	9.9 years	10.7 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	
	2023	2022
Present value of other long-term employee benefits obligation	\$ 7,895	\$ 7,826
Fair value of plant assets	<u>-</u>	<u>-</u>
Provisions for employee benefits	<u>\$ 7,895</u>	<u>\$ 7,826</u>

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	<u>\$ 7,826</u>	<u>\$ 8,591</u>
Current service cost	1,105	1,274
Interest cost	117	43
Remeasurement		
Actuarial gain (loss)		
Changes in financial assumptions	257	(1,214)
Experience adjustments	<u>(1,410)</u>	<u>(868)</u>
Recognized in profit or loss	<u>69</u>	<u>(765)</u>
Balance at December 31	<u>\$ 7,895</u>	<u>\$ 7,826</u>

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

	December 31	
	2023	2022
Discount rate(s)	1.250%	1.500%
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	
	2023	2022
Discount rate(s)		
0.25% increase	<u>\$ (257)</u>	<u>\$ (266)</u>
0.25% decrease	<u>\$ 270</u>	<u>\$ 280</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 265</u>	<u>\$ 275</u>
0.25% decrease	<u>\$ (253)</u>	<u>\$ (263)</u>

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

Analysis of employee benefits obligation in the next decade

	December 31	
	2023	2022
Not later than 1 year	\$ 476	\$ 394
Later than 1 year and not later than 5 years	2,312	2,166
Later than 5 years	3,764	3,694

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) is amortized over the estimated useful life of the testing equipment.

As of December 31, 2023 and 2022, long-term deferred revenue was \$62,334 thousand and \$67,279 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	
	2023	2022
Realized long-term deferred revenue	\$ 3,904	\$ 17,097
Received from government grants related to income	<u>743</u>	<u>1,403</u>
	<u>\$ 4,647</u>	<u>\$ 18,500</u>

20. EQUITY

a. Share capital - ordinary shares

	December 31	
	2023	2022
Number of shares authorized (in thousands)	<u>360,000</u>	<u>360,000</u>
Shares authorized	<u>\$ 3,600,000</u>	<u>\$ 3,600,000</u>
Number of shares issued and fully paid (in thousands)	<u>128,864</u>	<u>128,864</u>
Shares issued and fully paid	<u>\$ 1,288,641</u>	<u>\$ 1,288,641</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, 2023, 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	
	2023	2022
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>		
Issuance of ordinary shares	\$ 2,199,672	\$ 2,199,672
Expiry of employee share options	85,068	85,068
Donations	39,702	39,702
<u>May be used to offset a deficit only</u>		
Share of changes in capital surplus of associates	<u>23,981</u>	<u>23,981</u>
	<u>\$ 2,348,423</u>	<u>\$ 2,348,423</u>

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 2022 and 2021, which were approved in the shareholders' meetings on May 30, 2023 and May 26, 2022, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2022	2021
(Reversals) special reserve	<u>\$ (307,005)</u>	<u>\$ 83,514</u>
Cash dividends	<u>\$ 515,456</u>	<u>\$ 644,320</u>
Cash dividends per share (NT\$)	\$ 4.0	\$ 5.0

The appropriation of earnings for 2023, which was proposed by the Company's board of directors on February 26, 2024, was as follows:

	Appropriation
	of Earnings
	For the Year
	Ended
	December 31,
	2023
Special reserve	<u>\$ 49,589</u>
Cash dividends	<u>\$ 193,296</u>
Cash dividends per share (NT\$)	\$ 1.5

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held on May 28, 2024.

d. Other equity items

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

	2023	2022
Balance at January 1	\$ (19,592)	\$ (344,626)
Recognized for the year		
Exchange differences on translation to the presentation currency	(6,673)	816,052
Exchange differences on the translation of the financial statements of foreign operations	<u>(54,649)</u>	<u>(491,018)</u>
Balance at December 31	<u>\$ (80,914)</u>	<u>\$ (19,592)</u>

Unrealized gain (loss) on financial assets at FVTOCI

	2023	2022
Balance at January 1	\$ (24,114)	\$ (6,085)
Recognized for the year		
Unrealized gain (loss)	14,081	(18,029)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>(2,348)</u>	<u>-</u>
Balance at December 31	<u>\$ (12,381)</u>	<u>\$ (24,114)</u>

e. Treasury shares

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

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. The Company has accumulatively repurchased 2,073 thousand treasury shares with a total amount of \$168,795 thousand.

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.

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 Ended December 31	
	2023	2022
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 5,924,626	\$ 9,698,806
Revenue from commission	<u>15,250</u>	<u>24,770</u>
	<u>\$ 5,939,876</u>	<u>\$ 9,723,576</u>

a. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable (Note 9)	\$ <u>-</u>	\$ <u>15</u>	\$ <u>28</u>
Accounts receivable (Note 9)	\$ <u>1,377,975</u>	\$ <u>1,859,828</u>	\$ <u>2,470,246</u>
Accounts receivable - related parties (Note 28)	\$ <u>21,763</u>	\$ <u>26,736</u>	\$ <u>41,599</u>
Contract liabilities			
Sale of goods	\$ <u>3,014</u>	\$ <u>2,454</u>	\$ <u>3,615</u>

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	
	2023	2022
From contract liabilities at the beginning of the year		
Sale of goods	\$ <u>2,454</u>	\$ <u>3,615</u>

b. Disaggregation of revenue

	For the Year Ended December 31	
	2023	2022
Applications of light guide plates	\$ 5,132,968	\$ 8,667,080
Plastic components	791,658	1,031,726
Revenue from commission	<u>15,250</u>	<u>24,770</u>
	<u>\$ 5,939,876</u>	<u>\$ 9,723,576</u>

22. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	<u>\$ 179,012</u>	<u>\$ 47,373</u>

b. Other income

	For the Year Ended December 31	
	2023	2022
Government grants (Note 19)	\$ 3,525	\$ 4,193
Long-term deferred revenue allocated due to non-shareholders' asset donation (Note 19)	1,122	14,307
Others	<u>6,541</u>	<u>2,978</u>
	<u>\$ 11,188</u>	<u>\$ 21,478</u>

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net gain on foreign currency exchange	\$ 43,550	\$ 149,841
Gain on disposal of property, plant and equipment	4,358	444
Others	<u>(1)</u>	<u>(2)</u>
	<u>\$ 47,907</u>	<u>\$ 150,283</u>

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on lease liabilities	\$ 11,243	\$ 11,775
Interest on bank loans	5,013	6,618
Less: Amounts included in the cost of qualifying assets	<u>-</u>	<u>(128)</u>
	<u>\$ 16,256</u>	<u>\$ 18,265</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2023	2022
Capitalized interest amount	<u>\$ -</u>	<u>\$ 128</u>
Capitalization rate	-	0.60%-2.21%

e. Depreciation

	<u>For the Year Ended December 31</u>	
	2023	2022
Property, plant and equipment	\$ 341,551	\$ 374,134
Right-of-use assets	<u>30,156</u>	<u>30,159</u>
	<u>\$ 371,707</u>	<u>\$ 404,293</u>
 An analysis of depreciation by function		
Operating costs	\$ 291,244	\$ 327,056
Operating expenses	<u>80,463</u>	<u>77,237</u>
	<u>\$ 371,707</u>	<u>\$ 404,293</u>

f. Employee benefit expenses

	<u>For the Year Ended December 31</u>	
	2023	2022
Post-employment benefits (Note 18)		
Defined contribution plans	\$ 71,074	\$ 75,914
Defined benefit plans	(136)	(798)
Payroll expenses	711,224	855,242
Labor and health insurance expenses	68,189	71,055
Remuneration of directors	10,107	20,948
Other employee benefits	<u>115,785</u>	<u>75,918</u>
 Total employee benefit expenses	<u>\$ 976,243</u>	<u>\$ 1,098,279</u>
 An analysis of employee benefit expenses by function		
Operating costs	\$ 648,799	\$ 733,384
Operating expenses	<u>327,444</u>	<u>364,895</u>
	<u>\$ 976,243</u>	<u>\$ 1,098,279</u>

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, 2023 and 2022 which have been approved by the Company's board of directors on February 26, 2024 and February 23, 2023, respectively, were as follows:

Accrual rate

	<u>For the Year Ended December 31</u>	
	2023	2022
Employees' compensation	5.0%	5.0%
Remuneration of directors	1.5%	1.5%

Amount

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Employees' compensation	\$ 17,722	\$ 55,470
Remuneration of directors	5,317	16,641

If there is a change in the amounts after the annual consolidated financial statements are 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, 2022 and 2021.

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	
	2023	2022
Foreign currency exchange gains	\$ 299,679	\$ 596,942
Foreign currency exchange losses	<u>(256,129)</u>	<u>(447,101)</u>
Net gain	<u>\$ 43,550</u>	<u>\$ 149,841</u>

23. INCOME TAXES

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

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	\$ 56,907	\$ 125,248
Income tax on unappropriated earnings	12,648	9,241
Adjustments for prior years	(6,531)	(5,673)
Deferred tax		
In respect of the current year	<u>11,152</u>	<u>6,371</u>
Income tax expense recognized in profit or loss	<u>\$ 74,176</u>	<u>\$ 135,187</u>

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

	<u>For the Year Ended December 31</u>	
	2023	2022
Profit before tax	<u>\$ 405,578</u>	<u>\$ 1,172,469</u>
Income tax expense calculated at the statutory rate (20%)	\$ 81,116	\$ 234,494
Nondeductible expenses in determining taxable income	26,573	12,155
Repatriation of subsidiary's tax earnings	43,459	-
Tax-exempt income	(23,211)	(12,965)
Income tax on unappropriated earnings	12,648	9,241
Unrecognized loss carryforwards and deductible temporary differences	78,711	95,769
Use of unrecognized loss carryforwards	(5,586)	(5,492)
Effect of different tax rate of the Group's entities operating in other jurisdictions	(133,003)	(192,342)
Adjustments for prior years' tax	<u>(6,531)</u>	<u>(5,673)</u>
Income tax expense recognized in profit or loss	<u>\$ 74,176</u>	<u>\$ 135,187</u>

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%
- 5) GLT-Vietnam is entitled to income tax incentives based on the Law on Foreign Investment in Vietnam and is entitled to income tax exemption for six years beginning from the first profit earning year - full exemption in the first two years and half exemption in the next four years (the original rate is 20%).

b. Income tax recognized in other comprehensive income

	<u>For the Year Ended December 31</u>	
	2023	2022
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement of defined benefit plans	<u>\$ (134)</u>	<u>\$ (1,278)</u>

c. Current tax assets and liabilities

	<u>December 31</u>	
	2023	2022
Current tax assets		
Tax refund receivable	<u>\$ 6,770</u>	<u>\$ 104</u>
Current tax liabilities		
Income tax payable	<u>\$ 15,196</u>	<u>\$ 85,562</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, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Exchange Difference	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Depreciation differences between financial accounting and taxation	\$ 15,670	\$ (3,019)	\$ -	\$ (189)	\$ 12,462
Write-down of inventories	12,524	(6,067)	-	(47)	6,410
Provisions for employee benefits	1,565	13	-	1	1,579
Unrealized foreign exchange losses	824	(824)	-	-	-
Refund liabilities	495	14	-	(1)	508
Impairment loss recognized on property, plant and equipment	<u>335</u>	<u>(261)</u>	<u>-</u>	<u>(1)</u>	<u>73</u>
	<u>\$ 31,413</u>	<u>\$ (10,144)</u>	<u>\$ -</u>	<u>\$ (237)</u>	<u>\$ 21,032</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Pension expense differences between financial accounting and taxation	\$ 2,677	\$ 152	\$ 134	\$ -	\$ 2,963
Right to return goods	66	131	-	1	198
Unrealized exchange gains	<u>-</u>	<u>725</u>	<u>-</u>	<u>-</u>	<u>725</u>
	<u>\$ 2,743</u>	<u>\$ 1,008</u>	<u>\$ 134</u>	<u>\$ 1</u>	<u>\$ 3,886</u>

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Exchange Difference	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Depreciation differences between financial accounting and taxation	\$ 17,826	\$ (2,499)	\$ -	\$ 343	\$ 15,670
Write-down of inventories	15,201	(2,776)	-	99	12,524
Provisions for employee benefits	1,718	(153)	-	-	1,565
Unrealized foreign exchange losses	1,146	(322)	-	-	824
Refund liabilities	837	(351)	-	9	495
Impairment loss recognized on property, plant and equipment	<u>704</u>	<u>(369)</u>	<u>-</u>	<u>-</u>	<u>335</u>
	<u>\$ 37,432</u>	<u>\$ (6,470)</u>	<u>\$ -</u>	<u>\$ 451</u>	<u>\$ 31,413</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Pension expense differences between financial accounting and taxation	\$ 1,274	\$ 126	\$ 1,278	\$ (1)	\$ 2,677
Right to return goods	<u>289</u>	<u>(225)</u>	<u>-</u>	<u>2</u>	<u>66</u>
	<u>\$ 1,563</u>	<u>\$ (99)</u>	<u>\$ 1,278</u>	<u>\$ 1</u>	<u>\$ 2,743</u>

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

	December 31	
	2023	2022
Loss carryforwards		
Expiry in 2024	\$ 451	\$ 451
Expiry in 2025	14,208	14,701
Expiry in 2026	33,451	33,968
Expiry in 2027	34,145	31,785
Expiry in 2028	43,374	5,822
Expiry in 2029	4,967	4,967
Expiry in 2030	7,948	7,948
Expiry in 2031	10,557	10,557
Expiry in 2032	14,986	14,986
Expiry in 2033	<u>16,281</u>	<u>-</u>
	<u>\$ 180,368</u>	<u>\$ 125,185</u>

- f. Information about unused loss carryforwards as of December 31, 2023 were as follows:

Company Name	Unused Amount	Expiry Year
GLT-Suzhou Opto	\$ 3,609	2025
	7,218	2026
	<u>2,731</u>	2027
	<u>\$ 13,558</u>	
GLT-Zhongshan	\$ 9,842	2025
	22,988	2026
	24,263	2027
	<u>14,263</u>	2028
	<u>\$ 71,356</u>	
GLT-Shanghai	<u>\$ 21,481</u>	2028
GLT-Vietnam	<u>\$ 1,808</u>	2028
GLT-Taiwan	\$ 451	2024
	757	2025
	3,241	2026
	7,135	2027
	5,805	2028
	4,967	2029
	7,948	2030
	10,557	2031
	14,986	2032
	<u>16,281</u>	2033
	<u>\$ 72,128</u>	

(Continued)

Company Name	Unused Amount	Expiry Year
Hao Yuan Technology	\$ 4	2026
	16	2027
	<u>17</u>	2028
	<u>\$ 37</u>	
		(Concluded)

g. Income tax assessments

Income tax returns of GLT-Taiwan, GLT-Optical and Hao Yuan Technology through 2021 have been examined and cleared by the tax authorities.

24. EARNINGS PER SHARE

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

Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	2023	2022
Profit for the year attributable to owners of the Company	<u>\$ 331,402</u>	<u>\$ 1,037,282</u>

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

	<u>For the Year Ended December 31</u>	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	128,864	128,873
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>481</u>	<u>433</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>129,345</u>	<u>129,306</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be 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. Non-cash transactions

In addition to those disclosed in other notes, for the years ended December 31, 2023 and 2022, the Group entered into the following non-cash investing activities, which were not reflected in the consolidated statements of cash flows:

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

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Purchase of property, plant and equipment	\$ 77,326	\$ 101,963
Net change in prepayments for purchases of equipment	(1,811)	(473)
Net change in payables for purchase of equipment	<u>10,380</u>	<u>(9,734)</u>
Cash paid	<u>\$ 85,895</u>	<u>\$ 91,756</u>

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2023

	<u>Opening Balance</u>	<u>Cash Flows</u>	<u>New Leases</u>	<u>Non-cash Changes Effects of Foreign Currency Exchange Differences</u>	<u>Closing Balance</u>
Short-term borrowings	\$ 400,000	\$ (400,000)	\$ -	\$ -	\$ -
Long-term borrowings (including current portion)	270,000	(270,000)	-	-	-
Lease liabilities	<u>678,511</u>	<u>(26,234)</u>	<u>480</u>	<u>(3,354)</u>	<u>649,403</u>
	<u>\$ 1,348,511</u>	<u>\$ (696,234)</u>	<u>\$ 480</u>	<u>\$ (3,354)</u>	<u>\$ 649,403</u>

For the year ended December 31, 2022

	<u>Opening Balance</u>	<u>Cash Flows</u>	<u>New Leases</u>	<u>Non-cash Changes Effects of Foreign Currency Exchange Differences</u>	<u>Closing Balance</u>
Short-term borrowings	\$ 798,000	\$ (398,000)	\$ -	\$ -	\$ 400,000
Long-term borrowings (including current portion)	270,000	-	-	-	270,000
Lease liabilities	<u>697,805</u>	<u>(25,602)</u>	<u>1,346</u>	<u>4,962</u>	<u>678,511</u>
	<u>\$ 1,765,805</u>	<u>\$ (423,602)</u>	<u>\$ 1,346</u>	<u>\$ 4,962</u>	<u>\$ 1,348,511</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, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 171,545	\$ 171,545
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>150,500</u>	<u>150,500</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,045</u>	<u>\$ 322,045</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 184,260	\$ 184,260
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>95,067</u>	<u>95,067</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,327</u>	<u>\$ 279,327</u>

There were no transfers between Levels 1 and 2 for the year ended December 31, 2023 and 2022.

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

For the year ended December 31, 2023

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	\$ 279,327
Purchases	50,000
Liquidations	(21,528)
Recognized in other comprehensive income	14,081
Effects of foreign currency exchange differences	<u>165</u>
Balance at December 31, 2023	<u>\$ 322,045</u>

For the year ended December 31, 2022

	Financial Assets at FVTOCI
	Equity Instruments
Balance at January 1, 2022	\$ 279,175
Recognized in other comprehensive income	(18,029)
Effects of foreign currency exchange differences	<u>18,181</u>
Balance at December 31, 2022	<u>\$ 279,327</u>

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, or asset-based approach, or income approach.

c. Categories of financial instruments

	December 31	
	2023	2022
<u>Financial assets</u>		
Financial assets at FVTOCI	\$ 322,045	\$ 279,327
Financial assets at amortized cost (Note 1)	5,772,208	6,602,535
<u>Financial liabilities</u>		
Amortized cost (Note 2)	1,004,079	2,397,266

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

Note 2: The balances include financial liabilities at amortized cost, which comprise accounts payable, accounts payable - related parties, 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, 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 has 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 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. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 5% against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	U.S. Dollar Impact		Japanese Yen Impact	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2023	2022	2023	2022
(Loss) profit	<u>\$ (66,103)</u>	<u>\$ (96,391)</u>	<u>\$ (206)</u>	<u>\$ (134)</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 decreased during the current year due to the decrease of net assets denominated in U.S. dollar and the sensitivity to Japanese yen had little difference compared to 2022.

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:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Fair value interest rate risk		
Financial assets	\$ -	\$ 378,710
Financial liabilities	649,403	1,078,511
Cash flows interest rate risk		
Financial assets	4,276,417	4,184,592
Financial liabilities	-	270,000

Sensitivity analysis

The sensitivity analysis below was 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, the analysis was prepared assuming the amount of each asset 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 pre-tax profit for the year ended December 31, 2023 would have increased/decreased by \$10,691 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 were held constant, the Group's pretax profit for the years 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.

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

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, 2023 would have increased/decreased by \$32,205 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, 2022 would have increased/decreased by \$27,933 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to equity prices during the current year mainly due to the increase in equity securities held.

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 86.38% and 94.50% in total trade receivables as of December 31, 2023 and 2022, 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. 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, 2023 and 2022, 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, 2023

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,004,079	\$ -	\$ -	\$ -
Lease liabilities	<u>36,809</u>	<u>36,619</u>	<u>97,010</u>	<u>654,354</u>
	<u>\$ 1,040,888</u>	<u>\$ 36,619</u>	<u>\$ 97,010</u>	<u>\$ 654,354</u>

December 31, 2022

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,727,266	\$ -	\$ -	\$ -
Fixed interest rate liabilities	402,204	-	-	-
Variable interest rate liabilities	86,058	92,530	98,480	-
Lease liabilities	<u>37,149</u>	<u>36,962</u>	<u>102,317</u>	<u>689,091</u>
	<u>\$ 2,252,677</u>	<u>\$ 129,492</u>	<u>\$ 200,797</u>	<u>\$ 689,091</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

	<u>December 31</u>	
	2023	2022
Unsecured bank loan facilities		
Amount used	\$ -	\$ 671,704
Amount unused	<u>1,253,525</u>	<u>501,846</u>
	<u>\$ 1,253,525</u>	<u>\$ 1,173,550</u>

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. Related party name and category

<u>Related Party</u>	<u>Relationship with the Group</u>
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)

b. Operating revenue

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Other related parties	\$ 59,837	\$ 109,768
Related party in substance	<u>631</u>	<u>744</u>
	<u>\$ 60,468</u>	<u>\$ 110,512</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

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Other related parties	\$ 219,037	\$ 294,604
Related party in substance	<u>108,885</u>	<u>112,086</u>
	<u>\$ 327,922</u>	<u>\$ 406,690</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 next month settlement 30 days, respectively, and are not significantly different from transactions between the Group and non-related parties.

d. Acquisition of property, plant and equipment

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Other related parties	\$ <u>-</u>	\$ <u>300</u>

e. Manufacturing and operating expenses

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Other related parties	\$ 35,384	\$ 25,321
Related party in substance	<u>23,276</u>	<u>25,585</u>
	<u>\$ 58,660</u>	<u>\$ 50,906</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

Related Party Category/Name	December 31	
	2023	2022
<u>Accounts receivable - related parties</u>		
Wistron InfoComm (Zhongshan)	\$ 15,766	\$ 25,579
Wistron InfoComm (Chengdu)	3,557	-
Other related parties	2,440	950
Related party in substance	<u>-</u>	<u>207</u>
	<u>\$ 21,763</u>	<u>\$ 26,736</u>

The outstanding trade receivables from related parties are unsecured. As of December 31, 2023 and 2022, the accounts receivable from related parties were not overdue. For the years ended December 31, 2023 and 2022, no impairment losses were recognized for trade receivables from related parties.

g. Payables to related parties

Related Party Category/Name	December 31	
	2023	2022
<u>Accounts payable - related parties</u>		
Shinny Plastics Corp	\$ 90,695	\$ 115,568
Tony Material LLC	<u>24,243</u>	<u>38,011</u>
	<u>\$ 114,938</u>	<u>\$ 153,579</u>
<u>Other payables - related parties</u>		
Tony Material LLC	\$ 5,193	\$ 7,291
Wistron InfoComm (Zhongshan)	1,222	1,821
Other related parties	<u>17</u>	<u>316</u>
	<u>\$ 6,432</u>	<u>\$ 9,428</u>

h. Lease arrangements

Line Item	Related Party Category/Name	December 31	
		2023	2022
Lease liabilities	Wistron InfoComm (Zhongshan)	<u>\$ 201,845</u>	<u>\$ 219,245</u>
		For the Year Ended December 31	
Line Item	Related Party Category/Name	2023	2022
Interest expense	Wistron InfoComm (Zhongshan)	<u>\$ 3,737</u>	<u>\$ 3,992</u>

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.

i. Remuneration of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 23,819	\$ 36,957
Post-employment benefits	<u>216</u>	<u>216</u>
	<u>\$ 24,035</u>	<u>\$ 37,173</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	
	2023	2022
Other financial assets - restricted assets (under other non-current assets)	<u>\$ 18,510</u>	<u>\$ 17,969</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of December 31, 2023 were as follows:

The Group entered into contracts for the purchase of equipment and land use rights for the Vietnam investment project of \$18,362 thousand and \$150,030 thousand, respectively. Unrecognized commitments were \$1,836 thousand and \$135,373 thousand, respectively.

31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In order to follow the Group's operational development, the Company's board of directors resolved the Thailand investment establishing the plant project on February 26, 2024. The total investment amount is expected to be no more than US\$13,000 thousand in negotiating acquisition of the land ownership.

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, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 34,394	30.7050 (USD:NTD)	\$ 1,056,063
USD	19,821	7.0827 (USD:RMB)	608,596
USD	3,466	24,662.6506 (USD:VND)	106,418
JPY	16,744	0.2172 (JPY:NTD)	3,637
JPY	2,493	0.0071 (JPY:USD)	541
<u>Financial liabilities</u>			
Monetary items			
USD	1,694	30.7050 (USD:NTD)	52,012
USD	12,930	7.0827 (USD:RMB)	397,010
JPY	312	0.2172 (JPY:NTD)	68

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
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
<u>Financial liabilities</u>			
Monetary items			
USD	943	30.7100 (USD:NTD)	28,950
USD	29,784	6.9646 (USD:RMB)	914,659

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains were \$43,550 thousand and \$149,841 thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of functional currencies of the entities in the Group.

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others: Table 1 (attached)
- 2) Endorsements/guarantees provided: Table 2 (attached)
- 3) Marketable securities held (excluding investment in subsidiaries and associates): 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: Table 4 (attached)
- 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 5 (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 6 (attached)
- 9) Trading in derivative instruments: None
- 10) Intercompany relationships and significant intercompany transactions: Table 9 (attached)

b. Information on investees Table 7 (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 8 (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 9 (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 10 (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 operating decision maker 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 <u>December 31, 2023</u>				
Revenue				
Revenue from external customers	\$ 5,132,968	\$ 806,908	\$ -	\$ 5,939,876
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 5,132,968</u>	<u>\$ 806,908</u>	<u>\$ -</u>	<u>\$ 5,939,876</u>
Segment income	<u>\$ 173,436</u>	<u>\$ 10,291</u>		\$ 183,727
Non-operating income and expenses				<u>221,851</u>
Profit before tax (continuing operations)				<u>\$ 405,578</u> (Continued)

	Department of Light Guide Plates Applications	Department of Plastic Components	Eliminations	Total
For the year ended <u>December 31, 2022</u>				
Revenue				
Revenue from external customers	\$ 8,667,080	\$ 1,056,496	\$ -	\$ 9,723,576
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 8,667,080</u>	<u>\$ 1,056,496</u>	<u>\$ -</u>	<u>\$ 9,723,576</u>
Segment income	<u>\$ 919,267</u>	<u>\$ 52,333</u>		\$ 971,600
Non-operating income and expenses				<u>200,869</u>
Profit before tax (continuing operations)				<u>\$ 1,172,469</u> (Concluded)

d. Geographical information

The Group operates in two principal geographical areas for the years ended December 31, 2023 and 2022 - Asia and America.

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

	Revenue from External Customers	
	For the Year Ended December 31	
	2023	2022
Asia	\$ 5,307,716	\$ 9,270,068
America	598,050	400,502
Others	<u>34,110</u>	<u>53,006</u>
	<u>\$ 5,939,876</u>	<u>\$ 9,723,576</u>

e. Information about major customers

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

	For the Year Ended December 31	
	2023	2022
Customer A	\$ 1,309,310	\$ 3,702,455
Customer B	1,155,925	2,733,681
Customer C	745,393	993,744

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

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	Collateral		Financing Limit for Each Borrower (Note 2)	Financing Company's Aggregate Financing Limits (Note 2)
													Item	Value		
1	GLT-Suzhou Opto	GLT-Shanghai	Other receivables - related parties, current portion	Yes	\$ 87,008	\$ 86,751	\$ 86,751	1.75	b	\$ -	Operating turnover	\$ -	-	\$ -	\$ 650,650	\$ 650,650
2	GLT-Suzhou Opto	GLT-Zhongshan	Other receivables - related parties, current portion	Yes	78,128	43,375	43,375	1.75	b	-	Operating turnover	-	-	-	650,650	650,650
3	GLT-Taiwan	GLT-Optical (Note 4)	Other receivables - related parties, current portion	Yes	316,194	-	-	-	b	-	Operating turnover	-	-	-	1,334,810	1,334,810
4	Solid State OPTO	GLT-Optical (Note 4)	Other receivables - related parties, current portion	Yes	208,794	85,974	85,974	-	b	-	Operating turnover	-	-	-	765,565	765,565
5	Solid State Technology	GLT-Optical (Note 4)	Other receivables - related parties, current portion	Yes	337,755	337,755	337,755	-	b	-	Operating turnover	-	-	-	1,445,780	1,445,780
6	GLT-USA	GLT-Optical (Note 4)	Other receivables - related parties, current portion	Yes	231,547	-	-	-	b	-	Operating turnover	-	-	-	398,758	398,758

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. The financing limit for each borrower in which the parent company directly or indirectly holds 100% of the voting shares is 10% of the parent company'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 between subsidiaries in the Republic of China, both the aggregate financing limit and financing limit for each borrower is limited to 40% of the lender'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 and 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.

Note 4: In order to integrate the Group's resources, the Company's board of directors resolved to consolidate GLT-Taiwan and GLT-Optical on June 6, 2023 and set the base date for the consolidation as August 1, 2023. After the consolidation, GLT-Taiwan would be the surviving company, and GLT-Optical would be the dissolved company. GLT-Taiwan will assume all the general rights and obligations of GLT-Optical.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		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	Ratio of 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)
		Name	Relationship										
0	Global Lighting Technologies Inc	GLT-Optical (Note 3)	Subsidiary of Global Lighting Technologies Inc.	\$ 2,406,302	\$ 1,020,000	\$ -	\$ -	\$ -	-	\$ 4,010,503	Y	-	-
		Solid State Electronics	Subsidiary of Global Lighting Technologies Inc.	2,406,302	61,410	-	-	-	-	4,010,503	Y	-	-
1	GLT-Taiwan	GLT-Optical (Note 3)	Subsidiary of Global Lighting Technologies Inc.	2,836,471	122,820	-	-	-	-	2,836,471	-	-	-

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/guarantee for an individual entity shall not exceed 30% of the Company's net worth based on its most recent audited or reviewed consolidated financial statements. The total amount of endorsements and guarantees provided by GLT-Taiwan to the ultimate parent company and the subsidiaries in which the ultimate parent company directly and indirectly 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 latest 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 (listed companies) and endorsements/guarantees provided for companies in mainland China.

Note 3: In order to integrate the Group's resources, the Company's board of directors resolved to consolidate GLT-Taiwan and GLT-Optical on June 6, 2023, and set the base date for the consolidation as August 1, 2023. After the consolidation, GLT-Taiwan would be the surviving company, and GLT-Optical would be the dissolved company. On September 21, 2023, it was approved by the Department of Investment Review. On November 21, 2023, the registration of equity change and dissolution were completed by the Ministry of Economic Affairs.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

**MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note)	Note
Global Lighting Technologies Inc.	<u>Shares</u> Sensel Inc.	-	Financial assets at FVTOCI - non-current	1,470,227	\$ 171,545	6.77	\$ 171,545	
GLT-Taiwan	<u>Shares</u> Top Taiwan XIII Venture Capital Co., Ltd.	GLT-Taiwan is the director of Top Taiwan XIII Venture Capital Co., Ltd.	Financial assets at FVTOCI - non-current	10,000,000	94,800	11.63	94,800	
	J-MEX Inc.	-	Financial assets at FVTOCI - non-current	5,000,000	55,700	13.05	55,700	

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

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Global Lighting Technologies Inc.	Shares GLT-Optical	Investments accounted for using the equity method	-	Subsidiaries	85,089,400	\$ 221,651	60,000,000	\$ 600,000 (Note 1)	-	\$ -	\$ -	\$ -	-	\$ - (Note 2)

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

Note 2: In order to integrate the Group's resources, the Company's board of directors resolved to consolidate GLT-Taiwan and GLT-Optical on June 6, 2023, and set the base date for the consolidation as August 1, 2023. After the consolidation, GLT-Taiwan would be the surviving company, and GLT-Optical would be the dissolved company. Moreover, Solid State Display's ownership of GLT-Taiwan decreased from 100% to 76.64%, and the Company's ownership of GLT-Taiwan increased to 23.36%. On September 21, 2023, it was approved by the Department of Investment Review. On November 21, 2023, the registration of equity change and dissolution were completed by the Ministry of Economic Affairs. Please refer to Note 12.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship (Note 1)	Transaction Details			Abnormal Transaction		Notes/Accounts Payable or Receivable		Note	
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% of Total
GLT-Shanghai	Solid State OPTO	b	Sales	\$ (2,122,515)	61	Open account 120 days	Based on agreement	Based on agreement	\$ 1,018,656	79	Note 2
Solid State OPTO	GLT-Shanghai	b	Purchases	2,122,515	84	Open account 120 days	Based on agreement	Based on agreement	(1,018,656)	89	Note 2
Solid State Technology	GLT-Shanghai	b	Sales	(1,356,956)	100	Open account 60 days	Based on agreement	Based on agreement	204,605	100	Note 2
GLT-Shanghai	Solid State Technology	b	Purchases	1,356,956	54	Open account 60 days	Based on agreement	Based on agreement	(204,605)	35	Note 2
Solid State OPTO	GLT-US	b	Sales	(507,072)	17	Open account 60 days	Based on agreement	Based on agreement	106,917	20	Note 2
GLT-US	Solid State OPTO	b	Purchases	507,072	100	Open account 60 days	Based on agreement	Based on agreement	(106,917)	100	Note 2
GLT-Suzhou	GLT-Taiwan	b	Sales	(187,740)	45	Open account 120 days	Based on agreement	Based on agreement	78,874	51	Note 2
GLT-Taiwan	GLT-Suzhou	b	Purchases	187,740	15	Open account 120 days	Based on agreement	Based on agreement	(78,874)	17	Note 2
GLT-Suzhou	Solid State Display	b	Sales	(122,021)	29	Open account 120 days	Based on agreement	Based on agreement	34,838	22	Note 2
Solid State Display	GLT-Suzhou	b	Purchases	122,021	91	Open account 120 days	Based on agreement	Based on agreement	(34,838)	86	Note 2
GLT-Taiwan	Solid State OPTO	b	Sales	(385,535)	27	Open account 60 days	Based on agreement	Based on agreement	118,383	19	Note 2
Solid State OPTO	GLT-Taiwan	b	Purchases	385,535	15	Open account 60 days	Based on agreement	Based on agreement	(118,383)	10	Note 2
GLT-Taiwan	Solid State Technology	b	Sales	(158,208)	12	Open account 60 days	Based on agreement	Based on agreement	37,354	6	Note 2
Solid State Technology	GLT-Taiwan	b	Purchases	158,208	15	Open account 60 days	Based on agreement	Based on agreement	(37,354)	19	Note 2

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

- a. Parent company to subsidiary.
- b. Subsidiary to subsidiary.
- c. Subsidiary to parent company.
- d. Subsidiaries to non-related parties within the Group.

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

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
GLT-Shanghai	Solid State OPTO	Subsidiary to subsidiary	\$ 1,018,656	1.72	\$ -	\$ -	\$ 459,507	\$ -
Solid State Technology	GLT-Shanghai	Subsidiary to subsidiary	204,605	2.52	-	-	100,242	-
Solid State OPTO	GLT-USA	Subsidiary to subsidiary	106,917	5.73	-	-	106,917	-
GLT-Taiwan	Solid State OPTO	Subsidiary to subsidiary	118,383	3.87	-	-	78,719	-
Solid State Technology	GLT-Taiwan (Note 3)	Subsidiary to subsidiary	337,755	Note 2	-	-	153,525	-

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.

Note 3: In order to integrate the Group's resources, the Company's board of directors resolved to consolidate GLT-Taiwan and GLT-Optical on June 6, 2023 and set the base date for the consolidation as August 1, 2023. After the consolidation, GLT-Taiwan would be the surviving company and GLT-Optical would be the dissolved company. GLT-Taiwan will assume all the general rights and obligations of GLT-Optical.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss) (Notes 1 and 2)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount (Notes 1 and 2)			
Global Lighting Technologies Inc.	Solid State OPTO	British Virgin Islands	Holding company engaged in the sale of products	\$ 305,520 (US\$ 9,950)	\$ 305,520 (US\$ 9,950)	9,950,167	100.00	\$ 956,956 (US\$ 31,166)	\$ 160,616 (US\$ 5,152)	\$ 160,616 (US\$ 5,152)	
	Solid State Display	British Virgin Islands	Holding company engaged in the sale of products	1,079,101 (US\$ 35,144)	1,079,101 (US\$ 35,144)	35,144,141	100.00	2,637,040 (US\$ 85,883)	8,723 (US\$ 280)	18,469 (US\$ 592)	
	Solid State Technology	British Virgin Islands	Holding company engaged in the sale of products	330,079 (US\$ 10,750)	330,079 (US\$ 10,750)	10,750,000	100.00	1,765,810 (US\$ 57,509)	364,727 (US\$ 11,698)	529,446 (US\$ 16,982)	
	Solid State Electronics	British Virgin Islands	Holding company engaged in the sale of products	201,456 (US\$ 6,561)	201,456 (US\$ 6,561)	6,561,000	100.00	1,406,930 (US\$ 45,821)	(119,783) (US\$ (3,842))	(104,026) (US\$ (3,337))	
	Shining Green	Independent state of Samoa	Holding company	460,575 (US\$ 15,000)	460,575 (US\$ 15,000)	15,000,000	100.00	85,763 (US\$ 2,793)	(58,367) (US\$ (1,872))	(60,196) (US\$ (1,931))	
	GLT-Optical	Republic of China	Design, production, and sales of applications of light guide plates	-	850,894	-	-	-	(179,819) (US\$ (5,768))	(179,988) (US\$ (5,777))	Note 3
	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	850,894	-	33,994,364	23.36	779,580 (US\$ 25,389)	(23,437) (US\$ (752))	(19,688) (US\$ (641))	Note 3
Solid State OPTO	GLT-USA	United States	Design and sales of applications of light guide plates	222,529 (US\$ 7,247)	222,529 (US\$ 7,247)	100	100.00	498,448 (US\$ 16,233)	45,307 (US\$ 1,453)	45,307 (US\$ 1,453)	
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	76.64	2,557,444 (US\$ 83,291)	(23,437) (US\$ (752))	(3,200) (US\$ (103))	Note 3
GLT-Taiwan	Hao Yuan Technology	Republic of China	Investment industry; wholesale and retail sale of electronic materials	2,991	15,991	100,000	100.00	8,915	19	19	
	GLT-Vietnam	Vietnam	Production and sale of applications of light guide plates, design of optical molds, and sales of plastic products for electronic components	184,230 (US\$ 6,000)	-	-	100.00	181,755 (US\$ 5,919)	(1,834) (US\$ (59))	(1,834) (US\$ (59))	Note 4
	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	-	(1,947)	-	Note 5

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: In order to integrate the Group's resources, the Company's board of directors resolved to consolidate GLT-Taiwan and GLT-Optical on June 6, 2023, and set the base date for the consolidation as August 1, 2023. After the consolidation, GLT-Taiwan would be the surviving company, and GLT-Optical would be the dissolved company. Moreover, Solid State Display's ownership of GLT-Taiwan decreased from 100% to 76.64%, and the Company's ownership of GLT-Taiwan increased to 23.36%. On September 21, 2023, it was approved by the Department of Investment Review. On November 21, 2023, the registration of equity change and dissolution were completed by the Ministry of Economic Affairs.

Note 4: In September 2023, the Company established GLT-Vietnam with a registered capital of US\$15,000 thousand. To align with the Group's capital arrangement, it is planned to process capital injections in stages according to the progress of plant establishment. As of December 31, 2023, the Company had invested \$188,244 thousand (US\$6,000 thousand).

Note 5: Investment income (loss) was calculated based on financial statements which have not been audited.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Investor Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	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, 2023 (Notes 2 and 3)	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outflow	Inflow						
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	\$ 614,100 (US\$ 20,000)	b.	\$ 614,100 (US\$ 20,000)	\$ -	\$ -	\$ 614,100 (US\$ 20,000)	\$ (77,732)	100	\$ (77,732)	\$ 1,006,866	\$ -
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	405,306 (US\$ 13,200) (Note 4)	b.	650,946 (US\$ 21,200)	-	-	650,946 (US\$ 21,200)	36,562	100	36,562	813,312	-
GLT-Zhongshan	Production, and sales of applications of light guide plates	460,575 (US\$ 15,000)	b.	460,575 (US\$ 15,000)	-	-	460,575 (US\$ 15,000)	(58,367)	100	(58,367)	89,420	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$1,725,621 (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.

Note 4: In order to enhance the Group's capital planning, the board of directors of GLT-Suzhou Opto resolved to reduce the capital by US\$8,000 thousand on November 9, 2023. The procedure of capital reduction was completed and approved by Suzhou Market Supervisory Authority on December 29, 2023. The total paid-in capital after the reduction was US\$13,200 thousand. The refunded capital has been repatriated in January 2024.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

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)
1	Solid State Electronics	GLT-Zhongshan	c	Accounts receivable	\$ 12,778	Open account 60 days	-
			c	Sales	14,696	Based on agreement	-
		GLT-Suzhou Opto	c	Accounts receivable	252	Open account 60 days	-
			c	Sales	1,254	Based on agreement	-
2	Solid State OPTO	GLT-USA	c	Accounts receivable	106,917	Open account 60 days	1
			c	Sales	507,072	Based on agreement	9
		GLT-Taiwan	c	Accounts receivable - current portion	85,974	Terms of financing	1
3	Solid State Technology	GLT-Shanghai	c	Accounts receivable	204,605	Open account 60 days	2
			c	Sales	1,356,956	Based on agreement	23
		GLT-Taiwan Global Lighting Technologies Inc.	c	Accounts receivable - current portion	337,755	Terms of financing	3
			b	Earnings repatriation	1,228,200	-	-
4	Solid State Display	GLT-Shanghai	c	Accounts receivable	620	Open account 60 days	-
			c	Sales	630	Based on agreement	-
5	GLT-Shanghai	Solid State OPTO	c	Accounts receivable	1,018,656	Open account 120 days	10
			c	Sales	2,122,515	Based on agreement	36
		GLT-Taiwan	c	Accounts receivable	14,710	Open account 120 days	-
			c	Sales	36,642	Based on agreement	1
		Solid State Electronics	c	Gain on disposal of property, plant and equipment	8	-	-
			c	Earnings repatriation	428,005	-	-
6	GLT-Zhongshan	GLT-Taiwan	c	Accounts receivable	40,128	Open account 120 days	-
			c	Sales	95,832	Based on agreement	2
		GLT-Suzhou Opto	c	Sales	234	Based on agreement	-
			c	Gain on disposal of property, plant and equipment	3,973	-	-
		GLT-Optical	c	Gain on disposal of property, plant and equipment	314	-	-
			Solid State Display	c	Accounts receivable	5,733	Open account 120 days
		c		Sales	8,396	Based on agreement	-
7	GLT-Taiwan	GLT-Shanghai	c	Accounts receivable	723	Open account 60 days	-
			c	Sales	357	Based on agreement	-
		GLT-Optical	c	Interest revenue	2,532	Based on agreement	-
			c	Accounts receivable	118,383	Open account 60 days	1
		Solid State OPTO	c	Sales	385,535	Terms of financing	6

(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 Technology	c	Accounts receivable	\$ 37,354	Open account 60 days	-
			c	Sales	158,208	Based on agreement	3
		GLT-Suzhou Opto	c	Accounts receivable	8,241	Open account 60 days	-
			c	Sales	23,235	Based on agreement	-
		GLT-Zhongshan	c	Accounts receivable	24,618	Open account 60 days	-
			c	Sales	32,941	Based on agreement	1
		Solid State Display	c	Accounts receivable	58	Open account 60 days	-
			c	Sales	2,258	Based on agreement	-
		GLT-USA	c	Accounts receivable	14	Open account 60 days	-
			c	Sales	158	Based on agreement	-
8	GLT-Suzhou Opto	GLT-Taiwan	c	Accounts receivable	78,874	Open account 120 days	1
			c	Sales	187,740	Based on agreement	3
		Solid State Display	c	Accounts receivable	34,838	Open account 120 days	-
			c	Sales	122,021	Based on agreement	2
		Solid State OPTO	c	Accounts receivable	6,735	Open account 120 days	-
			c	Sales	19,569	Based on agreement	-
		GLT-Shanghai	c	Accounts receivable - current portion	86,751	Terms of financing	1
			c	Interest revenue	1,458	Based on agreement	-
		GLT-Zhongshan	c	Accounts receivable - current portion	43,375	Terms of financing	-
			c	Interest revenue	665	Based on agreement	-
		GLT-USA	c	Sales	150	Based on agreement	-
9	GLT-Optical	GLT-Taiwan	c	Sales	67,370	Based on agreement	1
		GLT-Zhongshan	c	Sales	46,762	Based on agreement	1
		GLT-Suzhou Opto	c	Sales	33,449	Based on agreement	1
		Solid State Display	c	Sales	784	Based on agreement	-
10	GLT-USA	GLT-Optical	c	Interest revenue	1,802	Based on agreement	-
		GLT-Taiwan	c	Interest revenue	754	Based on agreement	-
		GLT-Shanghai	c	Other receivable	66	Open account 60 days	-

Note 1: Companies are numbered as follows:

- Global Lighting Technologies Inc. is numbered as "0".
- Subsidiaries are numbered from "1" onward.

Note 2: The flow of transactions is as follows:

- From GLT-Cayman to the subsidiary.
- From the subsidiary to GLT-Cayman.
- 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.

(Continued)

Note 4: All intercompany transactions have been eliminated upon consolidation.

Note 5: In order to integrate the Group's resources, the Company's board of directors resolved to consolidate GLT-Taiwan and GLT-Optical on June 6, 2023, and set the base date for the consolidation as August 1, 2023. After the consolidation, GLT-Taiwan would be the surviving company, and GLT-Optical would be the dissolved company. Moreover, Solid State Display's ownership of GLT-Taiwan decreased from 100% to 76.64%, and the Company's ownership of GLT-Taiwan increased to 23.36%. On September 21, 2023, it was approved by the Department of Investment Review. On November 21, 2023, the registration of equity change and dissolution were completed by the Ministry of Economic Affairs.

(Concluded)

GLOBAL LIGHTING TECHNOLOGIES INC.**INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023**

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

Global Lighting Technologies Inc.



Chairman : Mang-Shiang Lee

