Stock Symbol: 6438

Symtek Automation Asia Co., Ltd.

2022 Annual Report

Prepared by
Symtek Automation Asia Co., Ltd.
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The annual report of the Company can be browsed on the MOPS (http://mops.twse.com.tw).

1. Company Spokesperson
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   Title: COO
   Phone: (03)435-6870
   Email address: Kris.Huang@sac-symtek.com
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2. Addresses and phone numbers of head office, branches, and factories:
   Head office: No.421, Rongmin Rd., Zhongli Dist., Taoyuan City
   Phone: (03)435-6870
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   Factories:
   No.421, Rongmin Rd., Zhongli Dist., Taoyuan City
   No.1, Aly. 31, Ln. 236, Heping Rd., Yangmei Dist., Taoyuan City
   Phone: (03)435-6870

3. Name, address, website, and phone number of stock transfer agent:
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   Website: stocktransfer.tssco.com.tw/index.action
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4. Name, address, website, and phone number of certified public accountants who signed the financial report for the latest year:
   Accountants: Chuang, Wen-Yuan、Yang, Ching-Chen
   Firm: Deloitte & Touche
   Address: 20F, No.100, Songren Rd., Xinyi Dist., Taipei City
   Website: www.deloitte.com.tw
   Phone: (02)2725-9988

5. Name of the overseas securities exchange for trading and the method to access the information of the securities: None

6. Company website: www.saa-symtek.com

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I. Letter to Shareholders

Looking back at 2022, Taiwan faced major challenges brought about by the Covid-19 pandemic. At the start of the year, as the situation was improving and it appeared that restrictions were going to be lifted, the domestic epidemic command center suddenly faced a sudden and rapid surge in cases in May. In response, the center raised the domestic alert to level 3, and some county and city officials even proposed a temporary closure of their respective cities. Fortunately, through the rollout of vaccines and the cooperation of the citizens in reducing their activities and continuing to wear masks, the epidemic alert level 3 was eventually lifted in late September, bringing much-needed relief to the domestic catering and tourism industries. During the period of level 3 epidemic alert, Symtek took proactive steps to prevent the spread of the virus. The Company implemented robust epidemic prevention measures, encouraged a culture of prevention within the Company, and organized employees to work in shifts. Additionally, Symtek took various precautionary measures to keep the virus out of the workplace. Thanks to the collective efforts and cooperation of all employees, Symtek successfully navigated this challenging period without incident. This year, Symtek Group is progressing towards its goal of becoming a leading supplier of AMHS equipment for the semiconductor industry and a provider of smart factory solutions for its printed circuit board customers, in line with its established policy objectives. Through the collective efforts of all employees, the Company has sustained its efforts in acquiring new customers, introducing new products and exploring new applications. As a result, the Company achieved a milestone in its history, with its revenue surpassing the $4 billion mark and profits reaching a new record high for the first time since its establishment. The following are the results of our operations for the year 2021:

1. 2022 Business Report

(1) Business plan implementation results

For the year 2022, the consolidated revenue is NT$5,761,799 thousand, the after-tax earnings are NT$666,333 thousand, and the after-tax basic earnings per share is NT$9.41.

(2) Budget execution

There is no financial forecast for fiscal year 2022, therefore, there is no

budget achievement status.

(3) Analysis of financial income and expenses and profitability

Item			2022	2021
Financial Structure	Debt ratio (%)		53.32%	46.18%
	Long term funds to fixed assets (%)		272.93%	511.86%
Solvency	Current ratio (%)		177.13%	187.25%
	Quick ratio (%)		102.93%	130.87%
	Interest coverage ratio		58.75	75.33
Profitability	Return on assets (%)		9.64%	11.76%
	Return on equity (%)		18.99%	23.83%
	Ratio to paid-in capital (%)	Operating income	118.07%	117.50%
		Net income before income tax	124.24%	119.20%
	Profit margin (%)		11.56%	13.28%
	EPS (NT$)		9.41	10.15

(4) Research and development status

Unit: NT$1,000

	2022	2021
R&D costs	344,616	314,596
Net operating revenue	5,761,799	4,905,620
R&D costs to net revenue (%)	5.98	6.41

2. Outline of Business Plan and Development Strategy for FY2023

1. Smart Factory: In order to offer PCB customers comprehensive automation solutions throughout their factories, we have established a smart manufacturing ecosystem for PCBs in partnership with key players. This allows us to offer more comprehensive solutions, and we are in the process of establishing an AMHS (Automatic Material Handling System) Project Department with the goal of expanding the scope of AMHS product offerings.
2. Semiconductor Industry: After extensive research and development, and rigorous validation testing by customers, the Company invested heavily in the Mini Stocker. This investment has finally paid off with customers recognizing the product and placing orders with Symtek. Moving forward, the Company plans to expand its product line to include carrier and

photomask storage systems, process equipment converters, specialized gas filling systems, and standard storage systems. This will enable the Company to promote its existing products to new semiconductor fabrication plants and increase the sales proportion of semiconductor products.

3. Advanced Technology: The Company is committed to attracting R&D talent and collaborating with strategic partners, academic institutions, and research institutes to introduce cutting-edge technologies. The Company is also optimizing its digital management platform for R&D knowledge through standardization, process optimization, modularization, digitization, and effective management of development and design documents. In addition, the Company is prioritizing professional training for its personnel, promoting knowledge exchange, and maximizing the use of core technologies to drive efficiency and innovation.
4. Gross Profit Enhancement: The Company is continuously striving to increase the proportion of high-end printed circuit boards and semiconductor products in its portfolio, and to enhance the value of its products. This is aimed at achieving an increase in gross profit.
5. Ensuring Talent Sources: To secure a reliable source of R&D and software talent, the Company participates in the "Annual Smart Machinery Talent Training Program" of the Industrial Development Bureau, Ministry of Economic Affairs. Additionally, it has signed industry-academia cooperation agreements with the mechanical departments of Taipei University of Technology, Yuan Ze University, Chung Yuan University, and Lunghwa University of Science and Technology. The Company is also exploring industry-academia partnerships with the mechanical and electrical departments of Chien Hsin University of Science and Technology and Minghsin University of Science and Technology to offer semester or academic year internship opportunities. This will help ensure a steady supply of human resources for the Company.
6. Strengthening Corporate Governance and ESG: The Company is focused on strengthening its corporate governance and actively promoting sustainability through its ESG (environmental, social, and governance) initiatives. As part of this effort, the Company is developing energy-saving, carbon reduction, and carbon inventory policies to ensure its operations are environmentally responsible.

Expected sales volume in 2023 and basis:

Product Type	Quantity [Note]
IBU (EBU) Automation Equipment	1,400
BBU (PBU) Automation Equipment	60
FBU (SBU) Automation Equipment	340
Total	1,800

Note: The above quantities are estimated based on discussions between the sales department and the clients and taking into account the market environment and the overall economic situation.

3. Impact of External Competitive Environment, Regulatory Environment and General Environment

The Taiwan Institute of Economic Research estimated that Taiwan's economy will grow at a rate of 3.96% in 2022. Despite the global impact of the Covid-19 pandemic in 2020, which resulted in widespread city closures and border controls, Taiwan's economy continues to show signs of growth. The epidemic not only slowed the growth of economies around the world, but it also disrupted global trade, leading to the worst recession in recent history. For 2022, the economic growth rate in Taiwan is expected to remain strong, driven by factors such as a rebound in domestic consumption, ongoing investments by both domestic and foreign manufacturers, and the ongoing trend towards digital transformation on a global scale. In fact, last year, the economy grew by 6.28%. Despite this impressive performance, the Directorate General of Budget, Accounting and Statistics, Executive Yuan forecasts that the economy will continue to grow, albeit at a slower pace, with a predicted rate exceeding 4%.

The ongoing epidemic has shone a spotlight on Taiwan as a secure and reliable investment destination. This was evident in the success of the “Three Major Programs for Investing in Taiwan,” which aimed to attract an additional NT$1.5 trillion in investment over the three-year period from 2019 to 2021. Not only did this program reach its target ahead of schedule, but it exceeded expectations by attracting over NT$1.6 trillion in new investment. Furthermore, foreign investors have continued to invest in Taiwan actively and the government has stepped up its efforts to boost public construction. This has resulted in a steady growth in domestic fixed investment, which has emerged as the primary driver of economic growth. According to the Directorate General of Budget, Accounting and Statistics, the investment rate (the ratio of total investment to GDP) reached 26.85% in 2021, the highest it has been in 21 years.

Despite facing challenges such as recurrent epidemics, rising prices, and increasing international pressure to reach net-zero emissions, the government remains committed to implementing the “Three Major Programs for Investing in Taiwan.” These programs aim to improve the domestic investment environment, transform and upgrade the industrial structure, and work towards the goal of reaching net-zero carbon emissions.

These initiatives will help to optimize the economy and ensure its long-term growth and stability.

SYMTEK AUTOMATION ASIA CO., LTD.

Chairman: Kuan, Chin-Kun

General Manager: Wang, Nien-Ching

February 24, 2023

II. Company Profile

1. Date of Incorporation

October 28, 1999

2. Company History

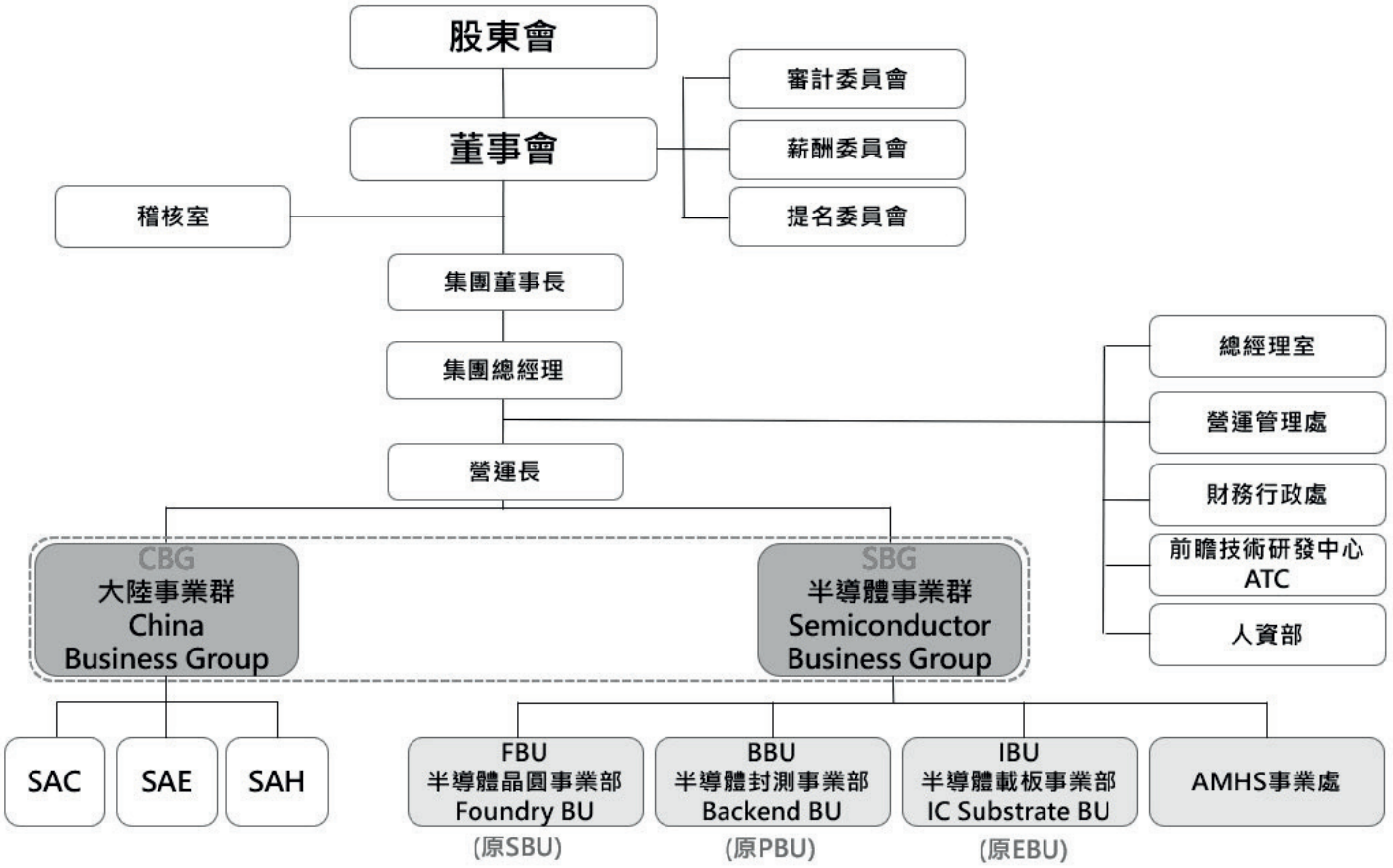
October 1999	Established with a capital of $100,000,000; SCHMID Germany holds 70% of the shares.
October 2000	Factory site completed with 813 pings of land and 1500 pings of factory
July 2001	Capital increased to $150,000,000, passed ISO 9001:1994 quality certification
July 2003	Passed ISO 9001:2000 quality certification
July 2004	Capital increased to $180,000,000, 336 m^2 clean assembly room completed
October 2004	Dongguan factory completed
August 2004	Received the Taiwan SMEs Innovation Award from the Ministry of Economic Affairs, and entered the flat panel display industry
March 2005	Cooperated with SCHMID, Germany to develop solar industry equipment
October 2005	Received the 12th Taiwan SMEs Innovation Award
June 2006	Capital increased to $300,000,000
January 2006	Established Flat Panel Display Business Unit and Photovoltaic Business Unit
August 2006	Received the 9th Rising Star Award from the Ministry of Economic Affairs
June 2007	Capital increased to $400,000,000 and new factory completed in Dongguan
October 2007	Received the 16th National Award of Outstanding SMEs from the Ministry of Economic Affairs
October 2008	Received the 15th Taiwan SMEs Innovation Award
June 2009	Capital increased to $440,000,000
January 2010	Passed ISO9001:2008 quality certification
July 2011	Established the Processing Department
March 2012	Started to implement SAP system and updated the whole factory server and computer hardware
January 2013	SAP system was officially launched
October 2013	Public offering of stock was completed

November 2013	Approved to register for trading on the Emerging Stock Exchange
June 2014	SCHMID, Germany sold all its shares (42.49%), and the name of the Company was changed to Symtek Automation Asia Co., Ltd.
July 2014	Became a qualified automation supplier of the Ministry of Economic Affairs
August 2014	Established Audit Committee
January 2015	The PV Business Unit was renamed Semiconductor B.U. Officially entered the semiconductor industry and positioned as an Industry 4.0 concept supplier
August 2015	Transferred earnings to capital of $22,000,000, resulting in paid-in capital of $462,000,000
July 2016	Established Intelligent Manufacturing Research and Development Center (IMR)
April 2017	Capital increased to $528,000,000 and traded over the counter
May 2017	Started the construction of the expansion of Chungli factory and received the Taiwan Mittelstand Award by the Ministry of Economic Affairs
July 2017	With the support of Industrial Development Bureau, Ministry of Economic Affairs, we formed the “PCB Smart Manufacturing Alliance” with Advantech, Unimicron and CHIN-POON.
August 2017	Established the R&D center for precision positioning software development
February 2018	Increased capital by $50,000,000 in cash, resulting in a paid-in capital of $578,000,000
January 2019	The Ministry of Economic Affairs approved the “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan”
April 2019	Yangmei factory officially opened
February 2020	Increased capital by $25,000,000 in cash, resulting in a paid-in capital to $630,000,000
December 2020	Established PCB Smart Manufacturing Ecosystem
January 2021	Listed on the stock exchange
April 2021	Resolved to enter into a share swap with SynPower Co., Ltd.
October 2021	The board of directors approved the purchase of 4,000 pings of land in the new section of Chungli to expand the semiconductor base
February 2022	Invest and establish SLK subsidiary in Jiannsu Huaian
August 2022	Establish Nomination Committee

III. Corporate Governance Report

1. Organization

(1) Organizational Structure



(2) Major Corporate Functions

Department	Responsibilities
Compensation Committee	1. To establish and regularly review the policies, systems, standards and structures for annual and long-term performance goals and compensation for directors and managers. 2. To periodically evaluate the achievement of the Company's directors' and managers' performance goals and to determine the content and amount of their individual compensation.
Audit Committee	1. Fair presentation of the Company's financial statements. 2. The selection, independence and performance of the CPAs. 3. Effective implementation of the Company's internal controls. 4. The Company's compliance with relevant laws and regulations. 5. Control of the Company's existing or potential risks.
Nomination Committee	1. Formulate standards for diverse backgrounds and independence such as professional knowledge required by members of the board of directors and senior managers, and search, review and nominate candidates for directors and senior managers based on this. 2. Construct and develop the organizational structure of the board of directors and committees, conduct performance evaluations of the board of directors, committees, directors and senior managers, and evaluate the independence of independent directors. 3. Formulate and regularly review the training plan for directors and the succession plan for directors and senior managers. 4. Formulate the company's corporate governance code of practice.
General Manager's Office	1. Responsible for planning the Company's long-term and short-term business strategies. 2. Corporate governance and board of directors affairs. 3. To evaluate the performance of each unit on a regular or irregular basis in accordance with the Company's internal management rules and regulations. 4. To ensure the safety of the Company's property and the effective development of the business. 5. To promote and implement CSR projects.
Audit Office	1. To assist all departments in adjusting and correcting deviations in the implementation of the Company's rules and regulations at any time. 2. To establish a systematic and institutionalized approach to evaluate and audit the risks and deficiencies of the Company's various operational activities. 3. To perform regular and unscheduled auditing activities and to confirm the operational performance and progress of improvement of various operation cycles. 4. To perform internal control checks and audits as assigned by supervisors.

Department	Responsibilities
R&D Center	1. Develop and revise annual technology plans, core technologies, R&D targets, benefits and budgets. 2. Support business execution of smart manufacturing related technologies and semiconductor AMHS development projects. 3. Assist in the promotion and publication of public information related to the business. 4. Manage and organize technical files, patents, and reports. 5. Prepare annual R&D results and R&D project income and expenses. 6. Technical cooperation with IO vendors for software development services. 7. Assist in the annual planning of overall business. 8. Support software technology of other business units.
Operation Management Office	1. Fixed assets management. 2. Procurement management. 3. Inventory management. 4. Production management and scheduling (production center). 5. Processing department management. 6. Quality assurance department (quality control of incoming materials/processes/finished products).
Finance and Administration Division	1. Human resource planning and development, education and training. 2. Personnel promotion management, welfare system development and attendance management. 3. Information system management. 4. Fund planning, fund distribution and control, asset and risk management. 5. Stock affairs operations and cashier. 6. Accounting, tax operations and management, cost analysis and management. 7. Budgeting and customer credit management.
Symtek Automation China (SAC)	Coordinate the production management, research and development, and manufacturing of overseas factories. Responsible for local sales market development, customer communication and after-sales service.
IBU Electronics Business Unit (EBU)	Electronics business related matters: 1. Preparation and execution of annual sales plan. 2. Implement effective marketing strategies to respond to market changes in a timely manner. 3. Execution of routine sales operations such as quotations, credit line applications, and accounts receivable follow-up. 4. Prepare and execute new product development and market development projects. 5. Collect market intelligence and develop new customers. 6. Cost management and control. 7. Maintenance of products during the warranty period.

Department	Responsibilities
	8. Repair of products during non-warranty period. 9. Customer claims handling. 10. Customer education and training.
BBU Photovoltaic Business Unit (PBU)	Photovoltaic business related matters: 1. Preparation and execution of annual sales plan. 2. Implement effective marketing strategies to respond to market changes in a timely manner. 3. Execution of routine sales operations such as quotations, credit line applications, and accounts receivable follow-up. 4. Prepare and execute new product development and market development projects. 5. Collect market intelligence and develop new customers. 6. Cost management and control. 7. Maintenance of products during the warranty period. 8. Repair of products during non-warranty period. 9. Customer claims handling. 10. Customer education and training.
FBU Semiconductor Business Unit (SBU)	For semiconductor and energy related activities: 1. Prepare and execute annual sales plan 2. Implement effective marketing strategies to respond to market changes in a timely manner. 3. Execution of routine sales operations such as quotations, credit line applications and accounts receivable follow-up. 4. Prepare and execute new product development and market development projects. 5. Market intelligence collection and development of new customers. 6. Cost management and control. 7. Maintenance of products during the warranty period. 8. Product repair during non-warranty period. 9. Customer claims handling. 10. Customer education and training.

2. Directors, Supervisors and Management Team

(1) Directors and Supervisors

1. Date of director's appointment, shareholding, main education/work experience, and concurrent positions at other companies.

Date of Information: April 2, 2023; Unit: Shares/%

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date of election	Term of office	Date of first election (Note 3)	Shares held at the time of election		Current shareholding		Current shareholding by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 4)	Current position(s) in the Company and other companies	Other officers and directors who are spouses or relatives within the second degree of kinship			Remark (Note 5)
							Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relation	
Chairman	R.O.C.	Kuan, Chin-Kun	Male 71-75 years old	20220527	3 years	1030813	-	-	0	0.00	-	-	-	-	B.S. in Chemical Engineering, National Taiwan University	Chairman of Symtek Automation Asia Co., Ltd.	Director	Guan, Tian-Yu	Father-Son	
Director	Hong Kong	ROYAL MAX HOLDINGS LIMITED	—	20220527	3 years	1080529	4,161,270	5.83	4,081,270	5.71	-	-	-	-	EMBA, The Chinese University of Hong Kong	Director & General Manager of Protek Technology Limited General Manager of Dongguan Protek Machinery Limited General Manager of Guangzhou Wirebond Technology Limited Supervisor of Protek Technology Limited (Shenzhen) Chairman of Symtek Automation Asia Co., Ltd.	Chairman	Kuan, Chin-Kun	Father-Son	
	Canada	Representative: Guan, Tian-Yu	Male 41-45 years old				-	-	-	-	-	-	-	-						
Director	R.O.C.	Gudeng Precision Industries Co., LTD.	—	20220527	3 years	20220527	4,000,000	5.60	4,000,000	5.60			1,403,000	1.96	PHD of Management Information System, NCCU MBA, Guanghua School of Management, Peking University MBA, National Taipei University	Chairman of Gudeng Precision Industries Co., LTD				
	R.O.C.	Qiu Ming-Qian	Male 51-55 years old																	
Director	R.O.C.	Wang, Nien-Ching	Male 56-60 years old	20220527	3 years	1021025	1,052,691	1.47	1,052,691	1.47	8,467	0.01	-	-	Electrical Engineering, Lunghwa University of Science and Technology M.S., National Chengchi University, College of Business M.S., Graduate Institute of Management, Yuan Ze University General Manager of Shinbei Enterprise Co., Ltd.	Vice Chairman & General Manager of Symtek Automation Asia Co., Ltd. Chairman of Symtek Automation China Co., Ltd.	-	-	-	

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date of election	Term of office	Date of first election (Note 3)	Shares held at the time of election		Current shareholding		Current shareholding by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 4)	Current position(s) in the Company and other companies	Other officers and directors who are spouses or relatives within the second degree of kinship			Remark (Note 5)
							Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relation	
Director	R.O.C.	Tan Ming-Zhu	Female 61-65 years old	20220527	3 years	20220527	-	-	-	-	-	-	-	-	EMBA, National Chengchi University, College of Business	Chairman & General Manager of LinkCom Manufacturing Co., Ltd.	-	-	-	
Director	R.O.C.	Qu, Rong-Fu	Male 61-65 years old	20220527	3 years	1080529	101,000	0.17	105,000	0.15	-	-	-	-	M.B.A., Westbank University, U.S.A.	Chairman of Fu Wei Enterprise Co., Ltd. Chairman of Maxtronic Technology Co., Ltd. Chairman of Symtek Automation Asia Co., Ltd.	-	-	-	
Independent Director	R.O.C.	He, Jian-De	Male 61-65 years old	20220527	3 years	1080529	-	-	-	-	-	-	-	-	Ph.D. in Technology Management, Portland State University, USA 1. Industrial Experience: Applied Materials Taiwan Molex Taiwan ITRI Center for Measurement Standards 2. Consulting Services: Consultant of SINTRONES Technology Corp. Seed Teacher of NSTC Germination Program Teacher of NSTC Academic Camp - Industry-Academia Collaboration	Professor and Dean, College of Management, Yuan Ze University Representative of Corporate Director, BMC Venture Capital Investment Corporation Independent Director of Symtek Automation Asia Co., Ltd.	-	-	-	
Independent Director	R.O.C.	Jian, Rong-Kun	Male 61-65 years old	20220527	3 years	1080529	-	-	-	-	5,162	0.01	-	-	M.B.A., National Chengchi University Department of Chemical Engineering, Nanya Institute of Technology Independent Director of Symtek Automation Asia Co., Ltd.	Chairman of EISO Enterprise Co., Ltd. Independent Director of Ledlink Optics, Inc. Director of Cheer Time Enterprise Co., Ltd. Chairman of EISUN Enterprise Co., Ltd Chairman of Yi Cheng Construction Co., Ltd. Independent Director of Symtek Automation Asia Co., Ltd.	-	-	-	
Independent Director	R.O.C.	Liu, Zhi-Hong	Male 51-55 years old	20220527	3 years	1080529	-	-	-	-	-	-	-	-	International Department, Waseda University, Japan M.S., Boston University,	Chairman of ThinFlex Corporation Independent Director of Poya	-	-	-	

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date of election	Term of office	Date of first election (Note 3)	Shares held at the time of election		Current shareholding		Current shareholding by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 4)	Current position(s) in the Company and other companies	Other officers and directors who are spouses or relatives within the second degree of kinship			Remark (Note 5)
							Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relation	
															U.S.A. M.S. in Accounting, National Taiwan University B.S. in Accounting, National Chengchi University Certified Public Accountant	International Co., Ltd. Independent Director of Sunny Pharmtech Inc. Chairman of Chien Hsing Information Corp. Director of KEEN UNION INVESTMENT LIMITED Director of Shun-Lai Enterprise Management Consulting Co., Ltd. Independent Director of Symtek Automation Asia Co., Ltd. Certified Public Accountant of Chang Hsing Accountants, Inc. Chairman of Songyang Electronic Material Kunshan Co.,Ltd.				

Note 1: The names of corporate shareholders and their representatives should be listed separately (for representatives who are corporate shareholders, the name of the corporate shareholder should be indicated), and Table 1 below should be filled out.

Note 2: Please list the actual age, and an age range may be used, such as 41-50 years old or 51-60 years old.

Note 3: Fill in the time of the first appointment as a director or supervisor of the company. If there is an interruption, an explanation should be provided.

Note 4: Relevant experiences related to the current position, such as having worked at a certified public accountant firm or related companies during the aforementioned period, should be described, including the job title and responsibilities held.

Note 5: If the Chairman of the Board and the General Manager or equivalent (the highest executive officer) are the same person, spouses, or relatives within the first degree of kinship, the reason, rationality, necessity, and related information on measures taken (such as increasing the number of independent directors, and ensuring that more than half of the directors are not concurrently employed as employees or executive officers) should be explained.

Note 6: Director Zhou, Qing-Lin resigned on December 13, 2021.

2. Supervisor: None; The Company established an audit committee on 2014/8/13.

3. Information of the institutional shareholders

(1) Major shareholders of the institutional shareholders

Name of Institutional Shareholder (Note 1)	Major Shareholder(s) (Note 2)
ROYAL MAX HOLDINGS LIMITED	Guan, Tian-Yu (60%); Guan, Hui-Shan (20%); Guan, Hui-Chen (20%)

Note 1: If a director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be entered.

Note 2: Provide the names of the major shareholders of the corporate shareholder (the top ten in terms of shareholding) and their shareholding ratios. If a major shareholder is a corporation, the following table 2 should be completed.

Note 3: If the institutional shareholder is not a company, the names and shareholding ratio of shareholders to be disclosed are the names of people who contributed or donated the capital and the ratio of their contribution or donation. If the donor is deceased, mark “deceased”.

(2) Major shareholders of the Company’s major institutional shareholders: None.

4. Information of the directors

(1) Professional qualifications of directors and independence of independent directors:

Criteria / Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Kuan, Chin-Kun	Mr. Kuan, Chin-Kun holds a bachelor's degree in Chemical Engineering from National Taiwan University. He has been the chairman of the board since the establishment of this company, leading the management team to achieve excellent performance. The company was successfully listed on the stock market in 2021.	N/A	N/A
Wang, Nien-Ching	Mr. Wang, Nien-Ching holds a master's degree in Business Administration from the College of Commerce at National Chengchi University. He has been the general manager of this company since its establishment, leading the management team to successfully develop the automation market for multiple industries such as semiconductors, optoelectronics, and printed circuit boards. He currently also serves as the vice chairman of the company.	N/A	N/A
ROYAL MAX HOLDINGS LIMITED Representative: Guan, Tian-Yu	Mr. Guan, Tian-Yu holds an Executive MBA degree from The Chinese University of Hong Kong. He serves as the Director & General Manager of Protek Technology Limited, General Manager of Dongguan Protek Machinery Limited, General Manager of Guangzhou Wirebond Technology Limited, and Supervisor of Protek Technology Limited (Shenzhen). He is the only foreign director of this company and has an international market perspective.	N/A	N/A
Zhou, Qing-Lin	Resigned on December 13, 2021.		
Qu, Rong-Fu	Mr. Qu, Rong-Fu has a Master's degree in Business Administration from West Texas A&M University. He founded Maxtronic Technology and has been serving as its chairman for over 25 years. He specializes in asset management, investment, and marketing.	N/A	N/A
Jian, Rong-Kun Compensation Committee Audit Committee	Mr. Jian, Rong-Kun has a Master's degree in Business Administration from National Chengchi University. He founded EISO Enterprise Co., Ltd. and has been serving as its chairman for over 20 years. He currently also serves as Independent Director of Ledlink Optics, Inc., Director of Cheer Time Enterprise Co., Ltd., Chairman of EISUN Enterprise Co., Ltd., and Chairman of Yi Cheng Construction Co., Ltd.	In accordance with the: 1. Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies 2. Regulations Governing the Appointment and Exercise of Powers by the	1

Liu, Zhi-Hong Compensation Committee Audit Committee	Mr. Liu, Zhi-Hong has a Master's degree in Accounting from National Taiwan University and an accountant certificate. He has over 20 years of practice experience in accounting firms. He currently also serves as Independent Director of Poya International Co., Ltd. and Independent Director of Sunny Pharmtech Inc. In addition, he was appointed Chairman of ThinFlex Corporation in 2021. Mr. Liu, Zhi-Hong has not violated any of the provisions of Article 30 of the Company Act.	Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange 3. Independent Director (Tenure) Qualification Checklist Review of Qualification Results: All independent directors of the Company have no significant relationships that may affect their independence. All independent directors should execute their duties appropriately and objectively in the best interests of the Company.	2
He, Jian-De Compensation Committee Audit Committee	Mr. He, Jian-De has a Doctoral degree in Technology Management from Portland State University in the United States. He has been teaching at Yuan Ze University for over 10 years and currently serves as a professor and dean of the College of Management. His research interests include strategic technology management, high-tech business competition strategy, and innovation management. He currently also serves as Representative of Corporate Director of BMC Venture Capital Investment Corporation.		0

(2) Board Diversity and Independence:

① Board Diversity:

There are a total of eight members on the 8th Board of Directors of the Company, including three independent directors. The specific management goals and achievements of our diversity policy are as follows:

The specific management goals of the diversity policy of the Board of Directors are as follows:

To strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the composition of the Board of Directors should take into account various needs such as the Company's operational structure, business development direction, and future development trends. The Board should also evaluate various dimensions of diversity, such as basic composition (such as gender, nationality, age), industry experience (such as production, investment, education, marketing), and professional knowledge and skills (such as accounting, risk management, production management, asset management).

The implementation of the diversity policy of the Board of Directors are as follows:

姓名	職稱	國籍	性別	員工身分	獨立董事任期年資		年紀區間			產業經驗				專業能力			
					3年以下	3-9年	55以下	56至65	66至75	半導體	投資	教育	行銷	會計	風險管理	生產管理	策略
官錦塗	董事長	中華民國	男						V		V		V		V		V
王年清	董事		男	V				V		V			V			V	V

官天佑	董事	加拿大	男				V						V		V		
邱銘乾	董事	中華民國	男				V			V			V			V	V
曲榮福	董事		男					V			V		V				V
譚明珠	董事		女					V						V	V	V	
何建德	獨立董事		男			V		V				V			V		
簡榮坤	獨立董事		男			V		V					V		V	V	
劉致宏	獨立董事		男			V	V				V			V	V		

Please refer to the Company's website/Investor Services/Board of Directors/Board of Directors Diversity Information.

A. The 8th board of directors of our company consists of 8 directors, including 3 independent directors. The board as a whole possesses professional abilities in business judgment, management, crisis handling, industry knowledge, leadership decision-making, and international market observation. Among them, directors with production experience are Director Wang Nien-Ching, Director Zhou Qing-Lin, independent director Jian Rong-Kun, and independent director Liu Zhi-Hong. Directors with rich investment experience are Director Kuan Chin-Kun, Director Zhou Qing-Lin, Director Qu Rong-Fu, and independent director Liu Zhi-Hong. Director He Jian-De is recognized for his significant contributions to education. Directors with expertise in marketing are Director Kuan Chin-Kun, Director Wang Nien-Ching, Director Guan Tian-Yu, Director Qu Rong-Fu, and independent director Jian Rong-Kun. Independent director Liu Zhi-Hong possesses professional abilities in accounting and finance, as well as practical experience in practice and management.

B. The average tenure of the board of directors of our company is 6.8 years. Director Kuan Chin-Kun served from 1999 to January 2014 and resumed office in August 2014. Director Zhou Qing-Lin has served for over 8 years. Director Wang Nien-Ching has served for 23 years. All independent directors have not served for more than 3 consecutive terms. The board members are mainly citizens of our country, except for Director Guan Tian-Yu who is a Canadian citizen. The composition ratio is 38% for the 3 independent directors and 13% for the director who is also an employee (Director Wang Nien-Ching). The age range of the board members is as follows: 2 directors are under 55 years old, 6 directors are between 56 and 65 years old, and 1 director is over 66 years old.

C. Our company also values gender equality in the composition of the board of directors. One female member has been nominated for the 9th board of directors. We will timely adjust our policies on diversification based on the operation of the board of directors, business models, and development needs to ensure that board members possess the knowledge, skills, and qualities required to carry out their duties.

② Board Independence:

Our company has obtained mutual statements from all directors and independent directors' statements of independence to confirm their independence from the Company and their immediate relatives.

The board of directors consists of eight members, including three independent directors. The number of independent director seats is more than one-third of the total number of directors. Furthermore, all independent directors have served for no more than three terms, and their qualifications have been evaluated continuously. None of them are in violation of any provisions of Article 30 of the Company Act, have been elected by the government, legal entities or their representatives under the provisions of Article 27 of the Company Act, or are in violation of any provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. They also do not hold positions as independent directors in more than three other publicly traded companies. All independent directors carry out their duties appropriately and objectively based on the best interests of the Company.

Among the board members, Kuan Chin-Kun and Guan Tian-Yu are father and son, but their relationship does not affect their independence as directors of the Company. The remaining board members do not have any relatives within the second degree of kinship, and therefore, there are no situations as defined in Article 26-3, Paragraph 3, and Paragraph 4 of the Securities and Exchange Act. Furthermore, there is only one director who is also an employee of the Company, Wang Nien-Ching, who holds less than one-third of the total number of director seats. The chairman of the board of directors, Kuan Chin-Kun, and the general manager, Wang Nien-Ching, are not related.

None of the directors are in violation of any provisions of Article 30 of the Company Act, and all directors have an attendance rate of more than 90%. They can continue to be accountable and provide constructive views to the management team. When board meeting agendas involve conflicts of interest, individual directors can appropriately avoid participating in the discussion and decision-making process. Therefore, all directors carry out their duties appropriately and objectively based on the best interests of the Company.

The Company has had an audit committee since 2014, which is composed of all independent directors, and therefore, there is no need for supervisors.

Note 1: Professional Qualifications and Experience: The professional qualifications and experience of individual directors and supervisors shall be described, and if they are members of the Audit Committee and have accounting or financial expertise, their accounting or financial background and work experience shall be described, and whether they have any of the circumstances set forth in Article 30 of the Company Act.

Note 2: The independence of the independent director shall be described, including but not limited to whether he/she, his/her spouse, or a relative within the second degree of kinship is a director, supervisor, or employee of the Company or its affiliates; The number and proportion of shares of the Company held by the independent director, his/her spouse or a relative within the second degree of kinship (or by using the name of another person); whether he/she is a director, supervisor or employee of a company with a specific relationship with the Company (refer to Article 3, paragraph 1, subparagraphs 5~8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of compensation received for the provision of business, legal, financial, and accounting services from the Company or its affiliates in the last two years.

Note 3: Please refer to the best practice reference example on the website of the Corporate Governance Center of the Taiwan Stock Exchange for the disclosure method.

(2) Management Team

Date of Information: April 2, 2023; Unit: Shares/%

Title (Note 1)	Nationality	Name	Gender	Date of Appointment	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 2)	Current position(s) in the Company and other companies	Managerial officers who are spouses or relatives within the second degree of kinship			Managerial officers obtaining employee stock options certificates	Remark (Note 3)
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relation		
General Manager	R.O.C.	Wang, Nien-Ching	Male	2013.10.25	1,052,691	1.47	8,467	0.01	-	-	Electrical Engineering, Lunghwa University of Science and Technology M.S., Graduate Institute of Management, Yuan Ze University M.S., National Chengchi University, College of Business General Manager of Symtek Automation Asia Co., Ltd. General Manager of Shinbei Enterprise Co., Ltd.	Chairman of Symtek Automation China Co., Ltd.	-	-	-		
Deputy General Manager of Operation Management Office	R.O.C.	Lin, Zhao-De	Male	2013.10.25	646,110	0.91	-	-	-	-	Longtan Senior High School Deputy General Manager of Operation Management Office, Symtek Automation Asia Co., Ltd. Manager of Shinbei Enterprise Co., Ltd.	Director of Symtek Automation Asia Co., Ltd. Director of Symtek Automation China Co., Ltd.	-	-	-		
Chief Operating Officer and Deputy General Manager of SBU	R.O.C.	Huang, Fa-Bao	Male	2013.10.25	179,086	0.25	2,000	0.00	-	-	Department of Mechanical Engineering, National United University M.S., Department of Engineering and Management, Taipei University of Technology Engineer, Xiangtai Enterprise Co., Ltd. Deputy General Manager of SBU of Symtek Automation Asia Co., Ltd.	Director of Symtek Automation China Co., Ltd.	-	-	-		
Deputy General Manager of	R.O.C.	Qiu, Qing-Xiang	Male	2015.12.01	158,220	0.25	-	-	-	-	Bachelor of Business, Auckland University, New Zealand Deputy General Manager of Finance of	Deputy General Manager of Finance and Director of Symtek Automation China Co., Ltd.	-	-	-		

Title (Note 1)	Nationality	Name	Gender	Date of Appointment	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 2)	Current position(s) in the Company and other companies	Managerial officers who are spouses or relatives within the second degree of kinship			Managerial officers obtaining employee stock options certificates	Remark (Note 3)
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relation		
Finance and Administration Division and Chief Accounting Officer											Symtek Automation Asia Co., Ltd./Symtek Automation China Co., Ltd.						
Deputy General Manager of EBU	R.O.C.	Liang, Zhong-Cheng	Male	2013.10.25	785,554	1.10	1,000	0.00	-	-	Department of Electrical Engineering, Southern Taiwan University of Science and Technology Deputy General Manager of EBU of Symtek Automation Asia Co., Ltd.	Director of Symtek Automation China Co., Ltd.	-	-	-		
Deputy General Manager of PBU	R.O.C.	Huang, Ping-Yao	Male	2013.10.25	864,499	1.21	-	-	-	-	Department of Electrical and Mechanical Engineering, Chien Hsin University of Science and Technology Industrial Technology R&D Graduate Program in Opto-Mechatronics and Control of Electrical Engineering and Computer Science, College of Engineering, Chung Yuan Christian University Deputy General Manager of PBU of Symtek Automation Asia Co., Ltd.	Director of Symtek Automation China Co., Ltd.	-	-	-		
General Manager of SAC	R.O.C.	Xie, Jian-Ping	Male	2013.10.25	134,001	0.19	-	-	-	-	Department of Electrical Engineering, St. Aloysius Technical School Department of Automatic Control, Chaoyang University of Technology Master of Communication Management, Shih Hsin University	Director and General Manager of Symtek Automation China Co., Ltd.					
Chief Technology Officer	R.O.C.	Lu, Wen-Bin	Male	2018.11.8	115,000	0.16	-	-	-	-	Ph.D., Department of Mechanical Engineering, Chung Yuan Christian University	Director of Symtek Automation China Co., Ltd.	-	-	-		

Title (Note 1)	Nationality	Name	Gender	Date of Appointment	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 2)	Current position(s) in the Company and other companies	Managerial officers who are spouses or relatives within the second degree of kinship			Managerial officers obtaining employee stock options certificates	Remark (Note 3)
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relation		
											Researcher, ITRI Technical Manager, Foxconn Technology						
Assistant Deputy General Manager	R.O.C.	Sun, Shu-Jing	Male	2013.10.25	9,156	0.01	-	-	-	-	Department of Economics, Chinese Culture University M.S., Accounting Research Institute, Chung Yuan Christian University M.S. in Management, National Central University Accounting Manager of Symtek Automation Asia Co., Ltd. Accounting Manager of Touch Micro-System Technology Corp. Accounting Manager of Walsin Lihwa Corporation	-	-	-	-		
Assistant Deputy General Manager	R.O.C.	Zhang, Cai-Hui	Female	2013.10.25	10,252	0.01	-	-	-	-	Department of International Trade, Open Business College Chief Financial Officer of Symtek Automation Asia Co., Ltd. Chief Financial Officer of Shinbei Enterprise Co., Ltd.	-	-	-	-		
Audit Supervisor (Note 4)	R.O.C.	Zhao, Ren-Feng	Male	2021.11.09	0	0					Bachelor of Science in Accounting, Ming Chuan University Auditor, Deputy Supervisor and Supervisor, Audit Department, KPMG Deputy Section Manager, Section Manager, Junior Manager, Assistant Manager, Taiwan Secom Co., Ltd.	-					

Note 1: The data should include the general manager, deputy general manager, department heads, branch managers, and equivalent positions to the general manager, deputy general manager, or department head, regardless of title.

Note 2: The relevant work experience related to the current position, such as having worked at a certified public accountant firm or affiliated enterprise during the aforementioned period, should be described, including the position held and responsibilities.

Note 3: If the general manager or equivalent position (top manager) and the chairman are the same person, spouses, or close relatives, the reason, rationale, necessity, and corresponding measures (such as increasing the number of independent directors, and more than half of the directors not concurrently serving as employees or managers, etc.) should be disclosed.

Note 4: Zhang Yuan-Zhen, the former head of audit, was transferred to another position in the Company on November 9, 2021.

(3) 2021 Compensation of Directors, Independent Directors, Supervisors, General Manager, and Deputy General Managers

1. 2021 Remunaration of Directors and Independent Directors (Aggregated disclosure with salary range by name)

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

Tiltle	Name	Compensation of Directors								Ratio of Total Compensation (A+B+C+D) to Net Income (%)		Relevant Compensation Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Compensation of Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	Kuan, Chin-Kun					2427	2427	64	64	2536 0.38%	2536 0.38%	80	80							2,616 0.39%	2,616 0.39%	None
Director	ROYAL MAX HOLDINGS LIMITED Representative: Guan, Tian-Yu					1273	1273	64	64	1,337 0.20%	1,337 0.20%									1,337 0.20%	1,337 0.20%	None
Director	Wang, Nien-Ching					1273	1273	64	64	1,337 0.2%	1,337 0.2%	7,003	8,533			580		580		8,920 1.34%	10,450 1.57%	None
Director	Qu, Rong-Fu					1273	1273	64	64	1,337 0.2%	1,337 0.2%									1,337 0.20%	1,337 0.20%	None
Director	Gudeng Pricision Industries Co., LTD. Qiu, Ming-Qian					795	795	40	40	835 0.13%	835 0.13%									835 0.13%	835 0.13%	
Director	Tan, Ming-Zhu					795	795	40	40	835 0.13%	835 0.13%									835 0.13%	835 0.13%	None
Independent Directors	He, Jian-De	414	414			1273	1273	64	64	1.751 0.26%	1.751 0.26%									1.751 0.26%	1.751 0.26%	None
Independent Directors	Jian, Rong-Kun	414	414			1273	1273	64	64	1.751 0.26%	1.751 0.26%									1.751 0.26%	1.751 0.26%	None
Independent Directors	Liu, Zhi-Hong	414	414			1273	1273	64	64	1.751 0.26%	1.751 0.26%									1.751 0.26%	1.751 0.26%	None

1. Please specify the policy, system, standards, and structure for the payment of independent directors' remuneration and explain the relationship between the amount of remuneration and factors such as responsibilities, risks, and time invested: Based on the overall operation of the Company a taking into account the degree of participation in the Company's operation and contribution value, as well as the achievement rate of annual performance, it is used as a reference for salary adjustment.
2. In addition to the disclosure in the table above, the Company's directors in the past year did not receive any remuneration for providing services to all companies in the financial report (such as serving as a consultant for non-employees of the parent company/ all companies in the financial report/ investing businesses).

Range of Compensation

Range of Compensation	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All companies in the consolidated financial statements (H)	The Company	All companies in the consolidated financial statements (I)
Less than NT$ 1,000,000	TAN Ming-Zhu; Qiu Ming-Qian	TAN Ming-Zhu; Qiu Ming-Qian	TAN Ming-Zhu; Qiu Ming-Qian	TAN Ming-Zhu; Qiu Ming-Qian
NT$1,000,000 ~ NT$1,999,999	Guan, Tian-Yu; Wang, Nien-Ching; Qu, Rong-Fu; Jian, Rong-Kun; Liu, Zhi-Hong; He, Jian-De	Guan, Tian-Yu; Wang, Nien-Ching; Qu, Rong-Fu; Jian, Rong-Kun; Liu, Zhi-Hong; He, Jian-De	Guan, Tian-Yu; Qu, Rong-Fu; Jian, Rong-Kun; Liu, Zhi-Hong; He, Jian-De	Guan, Tian-Yu; Qu, Rong-Fu; Jian, Rong-Kun; Liu, Zhi-Hong; He, Jian-De
NT$2,000,000 ~ NT$3,499,999	Kuan, Chin-Kun;	Kuan, Chin-Kun;	Kuan, Chin-Kun;	Kuan, Chin-Kun;
NT$3,500,000 ~ NT$4,999,999	—	—		
NT$5,000,000 ~ NT$9,999,999	—	—	Wang, Nien-Ching	
NT$10,000,000 ~ NT$14,999,999	—	—	—	Wang, Nien-Ching
NT$15,000,000 ~ NT$29,999,999	—	—	—	—
NT$30,000,000 ~ NT$49,999,999	—	—	—	—
NT$50,000,000 ~ NT$99,999,999	—	—	—	—
Greater than or equal to NT$100,000,000	—	—	—	—
Total	9 people	9 people	9 people	9 people

Note 1: The names of directors (including the names of legal person shareholders and their representatives) should be listed separately, and all amounts of remuneration should be disclosed in aggregate. If a director also serves as a general manager or deputy general manager, this form and forms (3-1) or (3-2) should be filled out.

Note 2: Refers to the remuneration of directors in the most recent fiscal year (including director salaries, job allowances, severance pay, various bonuses, incentives, etc.).

Note 3: Refers to the amount of director remuneration approved by the board of directors for the most recent fiscal year.

Note 4: Refers to the relevant business execution expenses of directors in the most recent fiscal year (including transportation expenses, special allowances, various subsidies, dormitories, company cars, etc.). If assets such as houses, cars, and other vehicles are provided or personal expenses are incurred, the nature and cost of the provided assets, the actual rent or rent calculated at a fair market price, fuel costs, and other payments should be disclosed. If a driver is provided, please indicate the relevant compensation paid by the Company to the driver, but do not include it in the remuneration.

Note 5: Refers to the remuneration received by directors and concurrent employees (including concurrent general managers, deputy general managers, other

managers, and employees) in the most recent fiscal year, including salaries, job allowances, severance pay, various bonuses, incentives, travel expenses, special expenses, various allowances, dormitories, vehicle arrangements, and other material benefits provided, etc. When providing assets such as housing, cars, and other transportation vehicles or exclusive personal expenses, the nature and cost of the provided assets, the actual or fair market rental value, fuel costs, and other benefits should be disclosed. If a driver is provided, please provide a note explaining the relevant compensation paid by the Company to the driver, but this is not counted as remuneration. In addition, salary expenses recognized under IFRS 2 "Share-based Payments", including the acquisition of employee share certificates, restricted new shares for employees, and participation in cash increases to subscribe for shares, should also be included in remuneration.

Note 6: Refers to directors and concurrent employees (including concurrent general managers, deputy general managers, other managers, and employees) who received employee remuneration (including stocks and cash) in the most recent fiscal year. The amount of employee remuneration approved by the board of directors in the most recent year should be disclosed, and if it cannot be estimated, the proposed amount of distribution for this year should be calculated based on the proportion of actual distribution amount compared to the previous year, and Table 1-3 should also be filled in.

Note 7: The total amount of all companies (including the Company) that pay various remuneration to the directors of the Company should be disclosed in the consolidated report.

Note 8: The total amount of remuneration paid by the Company to each director should be disclosed in the corresponding level of attribution, and the name of the director should be disclosed.

Note 9: The total amount of remuneration paid by all companies (including the Company) to each director of the Company should be disclosed in the corresponding level of attribution, and the name of the director should be disclosed.

Note 10: Net income after tax refers to the net income after tax for the most recent fiscal year; for those that have adopted international financial reporting standards, net income after tax refers to the net income after tax for the parent company only or individual financial statements for the most recent fiscal year.

Note 11:

a. This column should clearly list the amount of remuneration received by company directors from invested companies outside of subsidiary companies.

b. If company directors receive remuneration from invested companies outside of subsidiary companies, the remuneration received by company directors from invested companies outside of subsidiary companies should be included in the I column of the remuneration level, and the field name should be changed to "All invested companies".

c. Remuneration refers to the remuneration, compensation (including remuneration for employees, directors, and supervisors), and relevant business execution expenses received by the Company's directors in their capacity as directors, supervisors, or managers of invested companies outside of subsidiary companies.

*The content of remuneration disclosed in this table is different from the concept of income under the Income Tax Act, so the purpose of this table is for information disclosure and not for taxation purposes.

2. Compensation of Supervisors: The Company has established an audit committee and does not appoint supervisors in accordance with the law, so it is not applicable.

3. Compensation of the General Manager and Deputy General Managers

Aggregated disclosure with salary range by name:

2022; Unit: NT$ thousands; thousand shares

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation from ventures other than subsidiaries
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Manager	Wang, Nien-Ching	18,660	20,570	0	0	18,468	19,042	3,110	0	3,110	0	40,238 6.03%	42,722 6.78%	None
Deputy General Manager	Lin, Zhao-De													
Deputy General Manager	Huang, Ping-Yao													
Deputy General Manager	Liang, Zhong-Cheng													
Deputy General Manager	Qiu, Qing-Xiang													
Deputy General Manager	Huang, Fa-Bao													
CTO	Lu, Wen-Bin													

*Regardless of job titles, anyone holding a position equivalent to General Manager or Deputy General Manager (such as CEO, Executive Director, General Manager, etc.) should be disclosed.

Range of Compensation

Range of Compensation	Names of General Manager and Deputy General Managers	
	The Company	All companies in the consolidated financial statements
Less than NT$ 1,000,000	—	—
NT$1,000,000 ~ NT$1,999,999	—	—
NT$2,000,000 ~ NT$3,499,999	—	—
NT$3,500,000 ~ NT$4,999,999	Lu, Wen-Bin	Lu, Wen-Bin
NT$5,000,000 ~ NT$9,999,999	Wang, Nien-Ching; Lin, Zhao-De; Huang, Ping-Yao; Liang, Zhong-Cheng; Huang, Fa-Bao; Qiu, Qing-Xiang	Lin, Zhao-De; Huang, Ping-Yao; Liang, Zhong-Cheng; Huang, Fa-Bao; Qiu, Qing-Xiang
NT$10,000,000 ~ NT$14,999,999	—	Wang, Nien-Ching
NT$15,000,000 ~ NT$29,999,999	—	—
NT$30,000,000 ~ NT$49,999,999	—	—
NT$50,000,000 ~ NT$99,999,999	—	—
Greater than or equal to NT$100,000,000	—	—
Total	7 people	7 people

4. Name of manager who distributes employee compensation and the distribution status

2022; Unit: NT$ thousands

	Title (Note 1)	Name (Note 2)	Employee Compensation - in Stock	Employee Compensation - in Cash (Note)	Total	Ratio of Total Amount to Net Income (%)
Managers	General Manager	Wang, Nien-Ching	-	3,989	3,989	3,898 0.60%
	Deputy General Manager	Lin, Zhao-De				
	Deputy General Manager	Huang, Ping-Yao				
	Deputy General Manager	Liang, Zhong-Cheng				
	COO	Huang, Fa-Bao				
	Deputy General Manager	Qiu, Qing-Xiang				
	CTO	Lu, Wen-Bin				
	Assistant Manager	Sun, Shu-Jing				
	Assistant Manager	Zhang, Cai-Hui				
	Assistant Manager	Zhang, Yong-An				

Note 1: Individual names and job titles should be disclosed, but earnings distribution can be disclosed in a summarized manner.

Note 2: Fill in the amount of employee compensation (including stocks and cash) distributed by the board of directors in the most recent year. If it cannot be estimated, the proposed distribution amount for this year shall be calculated based on the proportion of the actual distribution amount last year. Net profit after tax refers to the net profit after tax in the most recent year; for those that have adopted international financial reporting standards, net profit after tax refers to the net profit after tax of the parent company only or separate financial reports in the most recent year.

Note 3: The scope of application for managers is based on the letter of March 27, 2003, Tai-Cai-Zheng-San-Zi No. 0920001301, as follows:

(1) General Manager or equivalent level;
(2) Deputy General Manager or equivalent level;
(3) Senior Manager or equivalent level;
(4) Head of the Finance Department;
(5) Head of the Accounting Department;
(6) Others who have the authority to manage and sign on behalf of the Company.

Note 4: If the directors, general manager, and deputy general manager receive employee compensation (including stocks and cash), in addition to filling out Appendix 1-2, they should also fill out this form.

(4) An analysis of the total compensation paid to the Company's directors, supervisors, General Managers and Deputy General Managers as a percentage of parent company only and consolidated net income for the most recent two years, and a description of the policy, criteria and composition of compensation payments, the process for determining compensation, and the relationship to operating performance and future risk, for the Company and all companies in the consolidated financial statements

Name	The Company		All companies in the consolidated financial statements	
	2021	2022	2021	2022
Directors	8.77%	8.05%	9.03%	8.44%
Management				

(1) The remuneration of the directors of this company is determined according to the Company's Articles of Incorporation. If the Company is profitable in a given year, a sum not exceeding 3% should be set aside as director remuneration, which will be distributed through the annual earnings distribution approved by the shareholders' meeting (the director's remuneration for the year 2022 has been approved by the Compensation Committee). The directors' annual business execution expenses and independent directors' remuneration are based on a fixed monthly amount, while transportation expenses are based on the actual number of attendances.

(2) The remuneration of the General Manager and Deputy General Manager includes salary, bonuses, and employee compensation, which is determined in accordance with the Company's Articles of Incorporation. If the Company makes a profit in any given year, not less than 1% shall be allocated (approved by the Compensation Committee in 2022), and employee compensation shall be distributed to the annual earnings distribution of the shareholders' meeting, and issued based on the performance of the year.

(3) The policy for paying directors, supervisors, general managers, and deputy general managers, as well as the process for determining remuneration, is positively correlated with operational performance, and the amount of payment is disclosed in accordance with legal regulations, with limited future risk.

3. Implementation of Corporate Governance

(1) Operation of the Board of Directors

A total of 10 (A) meetings of the Board of Directors were held in 2022 and 2023. The attendance of directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Chairman	Kuan, Chin-Kun	10	-	100%	
Director	Wang, Nien-Ching	10	-	100%	
Director	Guan, Tian-Yu	10	-	100%	Representative of ROYAL MAX HOLDINGS LIMITED
Director	Qu, Rong-Fu	10	-	100%	
Director	Tan Ming-Zhu	10	-	100%	
Director	Qiu Ming-Qian	10	-	100%	Representative of Gudeng Precision Industries Co., LTD.
Independent Director	Jian, Rong-Kun	10	-	100%	
Independent Director	Liu, Zhi-Hong	10	-	100%	
Independent Director	He, Jian-De	10	-	100%	

Other mentionable items:

1. 1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response should be specified:
   (1) Matters referred to in Article 14-3 of the Securities and Exchange Act. As shown in the following table.
   (2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.

Date of Board Meeting Session	Contents and resolution results of proposal under Article 14-3 of Securities and Exchange Act	Independent director opinions	Company's handling of independent director opinions	Independent directors expressing opposition or reservation opinions and having recorded or written statements
2022/02/25 The 23rd Meeting of the 8th Board of Directors	Proposal 2: investment in Jiangsu SLK Co., Ltd. RMB 30 million.. The resolution passed as proposed.	Independent Director Jian, Rong-Kun: Suggests after Annex 5 signed, the lawyer should keep the full copy.	Respond by in charge department	None
	Proposal 6: Amendment to the "Internal control policy". The resolution passed as proposed.	None	None	None
	Proposal 7: The company endorses the actual amount of CNY 40,000 yuan for subsidiary company Symtek Automation (Dongguan)	None	None	None

Date of Board Meeting Session	Contents and resolution results of proposal under Article 14-3 of Securities and Exchange Act	Independent director opinions	Company's handling of independent director opinions	Independent directors expressing opposition or reservation opinions and having recorded or written statements
	Co., Ltd. ("SAC") The resolution passed as proposed.			
	Proposal 8: The company's subsidiary Symtek Automation Co., Ltd. ("SAB"), for subsidiary Company Symtek Automation (Dongguan) Co., Ltd. ("SAC"), endorsement to ensure the actual amount of actual spending of CNY 17,000. The resolution passed as proposed.	None	None	None
	Proposal 10: Re-election all of directors (including independent directors). The resolution passed as proposed.	None	None	None
2022/05/13 The 25th Meeting of the 8th Board of Directors	Proposal 1: Auditor Independence and Competency Evaluation and appointment. The resolution passed as proposed.	None	None	None
2022/05/27 The 1st Meeting of the 9th Board of Directors	No related matters listed in Article 14-3 of the Securities and Exchange Act			
2022/07/05 The 2nd Meeting of the 9th Board of Directors	No related matters listed in Article 14-3 of the Securities and Exchange Act			
2022/08/12 The 3rd Meeting of the 9th Board of Directors	Proposal 4: establish “Charter of Nominating Committee” The resolution passed as proposed.	None	None	None
2022/11/08 The 4th Meeting of the 9th Board of Directors	Proposal 2: Proposal to announce the annual audit plan for 2023. The resolution passed as proposed.			
	Proposal 3: Amendment to the “Internal control policy”. The resolution passed as proposed.	None	None	None
	Proposal 4: Amendment to the "Rules for Performance Evaluation of Board of Directors" The resolution passed as proposed.			
2022/12/19 The 5th Meeting of the 9th Board of	Proposal 3: The Company's sub-subsidiary, Symtek Automation China Co., Ltd. (“SAC”), entered into an exclusive distributorship agreement with Protek Technology	Independent Director Jian, Rong-Kun: Suggests the agreement Change	None	None

Date of Board Meeting Session	Contents and resolution results of proposal under Article 14-3 of Securities and Exchange Act	Independent director opinions	Company's handling of independent director opinions	Independent directors expressing opposition or reservation opinions and having recorded or written statements
Directors	Limited (“Protek Technology”) and its subsidiary, Dongguan Protek Machinery Limited (“Dongguan Protek”). The resolution passed as proposed.	to commission contracts, it can not be updated every two years.		
2023/02/24 The 6th Meeting of the 9th Board of Directors	Proposal 5: Proposed Extent the factory on new-buy land. The resolution passed as proposed.	None	None	None
	Proposal 6: Proposed Apply new facility for extent the factory from Hawnan Bank. The resolution passed as proposed.			
	Proposal 7: Proposed the company will issue new convert bond and fresh capital The resolution passed as proposed.			
	Proposal10: Proposed amendments to certain provisions of the Company's Articles of Incorporation. The resolution passed as proposed.			
2023/3/21 The 7th Meeting of the 9th Board of Directors	No related matters listed in Article 14-3 of the Securities and Exchange Act			

2. If there are directors’ avoidance of motions in conflict of interest, the directors’ names, contents of motion, causes for avoidance and voting should be specified: As shown in the following table.

Date of Board Meeting Session	Contents of Motion	Recusal	Causes for Avoidance	Condition of Voting
2022/02/25 The 23th Meeting of the 8th Board of Directors	Proposal 2: investment in Jiangsu SLK Co., Ltd. RMB 30 million.	Wang, Nien-Ching	Conflict of interest	Apart from Director Wang Nien-Ching who recused himself (herself) in accordance with the law and did not participate in the discussion and vote, the rest of the attending directors approved it.
2022/03/08 The 24th Meeting of the 8th Board of Directors	Proposal 7: The company endorses the actual amount of CNY 40,000 yuan for subsidiary company Symtek Automation (Dongguan) Co., Ltd. ("SAC")	Wang, Nien-Ching	Conflict of interest	Apart from Director Wang Nien-Ching who recused himself (herself) in accordance with the law and did not participate in the discussion and vote, the rest of the attending directors approved it.
	Proposal 8: The company's subsidiary Symtek Automation Co., Ltd.	Wang, Nien-Ching	Conflict of interest	Apart from Director Wang Nien-Ching who recused himself (herself) in

Date of Board Meeting Session	Contents of Motion	Recusal	Causes for Avoidance	Condition of Voting
	("SAB"), for subsidiary Company Symtek Automation (Dongguan) Co., Ltd. ("SAC"), endorsement to ensure the actual amount of actual spending of CNY 17,000.			accordance with the law and did not participate in the discussion and vote, the rest of the attending directors approved it.
2022/08/12 The 3rd Meeting of the 9th Board of Directors	Proposal 2: Review of the incentive bonus for managerial officers of the Company for year 2021.	Wang, Nien-Ching	Conflict of interest	Apart from Director Wang Nien-Ching who recused himself (herself) in accordance with the law and did not participate in the discussion and vote, the rest of the attending directors approved it.
2022/12/19 The 5th Meeting of the 9th Board of Directors	Proposal 2: Review of the year-end bonus for managerial officers of the Company for year 2021.	Wang, Nien-Ching	Conflict of interest	Apart from Director Wang Nien-Ching who recused himself (herself) in accordance with the law and did not participate in the discussion and vote, the rest of the attending directors approved it.
	Proposal 3: The Company's sub-subsidiary, Symtek Automation China Co., Ltd. ("SAC"), entered into an exclusive distributorship agreement with Protek Technology Limited ("Protek Technology") and its subsidiary, Dongguan Protek Machinery Limited ("Dongguan Protek").	Wang, Nien-Ching	Conflict of interest	Apart from Director Wang Nien-Ching who recused himself (herself) in accordance with the law and did not participate in the discussion and vote, the rest of the attending directors approved it.
2023/2/24 The 6th Meeting of the 9th Board of Directors	Proposal 1: Review of the Directors and employee s' bonus for year 2022.	Wang, Nien-Ching	Conflict of interest	Apart from Director Wang Nien-Ching who recused himself (herself) in accordance with the law and did not participate in the discussion and vote, the rest of the attending directors approved it.
	Proposal 8: The company's employees subscribe for the cash capital increase in 2023.	Wang, Nien-Ching	Conflict of interest	Apart from Director Wang Nien-Ching who recused himself (herself) in accordance with the law and did not participate in the discussion and vote, the rest of the attending directors approved it.

3. TWSE/TPEx-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors. The companies shall also their condition of implementing board review.

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Content of evaluation
Once per year	From January 1 to December 31, 2022 Reported at the Board Meeting on February 24, 2023	Board of directors	Self-assessment by the board of directors	Participation in company operations, quality of board decision-making, composition and structure of the board, selection and ongoing education of directors, and internal control are the five dimensions being evaluated, with a total of 45 assessment items.
		Individual board members	Self-assessment by board members	Understanding of company goals and mission, awareness of director duties, participation in company operations, management of internal relationships and communication, director expertise and continuing education, and internal control are the six dimensions being evaluated, with a total of 23 assessment items.
		Functional Committees	1. The Company has not yet conducted performance evaluations of functional committees. 2. The evaluation of whether to implement such evaluations will be conducted after the appointment of new board members in 2022.	

4. Measures taken to strengthen the functionality of the board (e.g., establishing an audit committee, improving information transparency, etc.) and performance evaluation:

Objective of Board Function	Performance Evaluation
The degree of participation in company operations	1. There were 9 board meetings held between 2022 and 2023, with an average attendance rate of over 100%. 2. In 2022, there were 5 directors present (out of a total of 9) at the shareholder meeting due to epidemic prevention policies.
Improving the quality of the board's decision-making	1. The frequency of holding board meetings is appropriate. 2. The minutes of the board meetings are correct and appropriate. 3. Independent directors express their opposition or reservation with records or written statements. 4. Important decisions made by the board of directors on the day of the meeting are announced to the public through significant information release channels for investors' reference. 5. Ms. Zhang Yuan-Zhen was appointed as the Head of Corporate Governance (formerly the audit supervisor) on November 9, 2021.

	Please refer to Corporate Governance Implementation Status, Evaluation Items 4.
Composition and structure of the board	1. The independent directors of the Company do not concurrently serve as independent directors for more than three other listed or OTC-listed companies. 2. The compensation committee consists of three members, all of whom are independent directors. 3. The audit committee consists of three members, all of whom are independent directors.
Selection and continuing education of directors	1. The nintth term of the board of directors is from May 27, 2022 to May 26, 2025. 2. Each director has completed the required annual continuing education hours (at least six hours per person). 3. Performance evaluations of the board of directors and its members are conducted annually, and are disclosed online on time.
Internal control	1. The Company conducts annual self-assessments of the effectiveness of its internal control system design and execution, and the board of directors has not issued a statement declaring significant deficiencies in the internal control system. 2. The audit supervisor attends the board of directors meetings and presents internal audit business reports, and submits or notifies the audit committee of audit reports (including follow-up reports) in accordance with regulations. 3. Mr. Zhao Ren-Feng, the new audit supervisor appointed on November 9, 2021, holds the following professional licenses, which can help the board of directors more effectively carry out internal control operations: (1) Certified Internal Auditor (CIA) (2) Certification in Control Self-Assessment (CCSA) (3) Taiwan Intellectual Property Management System Self-Assessor (TIPS)

(2) Operation of Audit Committee, or the Participation of Supervisors in the Board

1. Operation of Audit Committee

A total of 8 (A) Audit Committee meetings were held in 2022 and 2023. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Independent Director	He, Jian-De	8	-	100%	
Independent Director	Jian, Rong-Kun	8	-	100%	
Independent Director	Liu, Zhi-Hong	8	-	100%	
Other mentionable items 1. If any of the following circumstances occur, the dates of Audit Committee meetings, sessions, contents of motion, the contents of objections, reservations or significant recommendations of independent directors, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified: (1) Matters referred to in Article 14-5 of the Securities and Exchange Act: As shown in the					

following table.

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all the directors: None.

Date of Audit Committee Meeting	Contents and resolution of the proposal under Article 14-5 of the Securities and Exchange Act	Items of opposition, reservation, or major suggestions by independent directors	How the Company handles the opinions of independent directors
2022/2/25 The 21st Meeting of the 3rd Audit Committee	Proposal 1: Operating Report and Financial Statements for Year 2021 The resolution passed as proposed.	None	None
	Proposal 2: Investment in Jiangsu SLK Co., Ltd. RMB 30 million The resolution passed as proposed.	None	None
2022/05/13 The 23th Meeting of the 3rd Audit Committee	Proposal 1: Auditor Independence and Competency Evaluation and appointment. The resolution passed as proposed.	None	None
2022/05/31 The 16th Meeting of the 3rd Audit Committee	No matters listed in Article 14-5 of the Securities and Exchange Act		
2022/08/12 The 1st Meeting of the 4th Audit Committee	Proposal 1: The Company's consolidated financial statements for the second quarter of fiscal 2022 The resolution passed as proposed.	None	None
	Proposal 2 establish "Charter of Nominating Committee" The resolution passed as proposed.	None	None
2021/11/08 The 2nd Meeting of the 4th Audit Committee	Proposal 2: Proposal to announce the annual audit plan for 2023. The resolution passed as proposed.	None	None
	Proposal 3: Amendment to the "Internal control policy". The resolution passed as proposed.		
	Proposal 4: Amendment to the "Rules for Performance Evaluation of Board of Directors" The resolution passed as proposed.		
2022/12/19 The 3RD Meeting of the 4th Audit Committee	Proposal 3: The Company's sub-subsidiary, Symtek Automation China Co., Ltd. ("SAC"), entered into an exclusive distributorship agreement with Protek Technology Limited ("Protek Technology") and its subsidiary, Dongguan Protek Machinery Limited ("Dongguan Protek"). The resolution passed as proposed.	None	None
2023/02/24 The 4th Meeting of the 4th Audit Committee	Proposal 3: Proposed Extent the factory on new-buy land. The resolution passed as proposed.	None	None
	Proposal 4: Proposed Apply new facility for extent the factory from Hawnan Bank. The resolution passed as proposed.	None	None
	Proposal 5: Proposed the company will issue new convert bond and fresh capital The resolution passed as proposed.	None	None
	Proposal10: Proposed amendments to certain provisions of the Company's Articles of	None	None

	Incorporation. The resolution passed as proposed.		
2023/3/21 The 5th Meeting of the 4th Audit Committee	No related matters listed in Article 14-3 of the Securities and Exchange Act		

(3) Duties of the Audit Committee:

According to Article 6 of the "Organizational Regulations of the Audit Committee" of our company, the duties of the committee are as follows:

1. Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Evaluation of the effectiveness of the internal control system.
3. Establish or amend procedures for handling significant financial transactions involving the acquisition or disposal of assets, derivative transactions, lending of funds to others, or endorsement or guarantee for others in accordance with Article 36-1 of the Securities and Exchange Act.
4. Matters involving the directors' own interests.
5. Significant asset or derivative transactions.
6. Significant loaning funds to others, endorsements and guarantees.
7. The raising, issuance or private placement of securities of an equity nature.
8. The appointment, termination or compensation of CPAs.
9. Appointment or removal of financial, accounting or internal audit officers.
10. Annual financial statement and interim financial statement.
11. Other significant matters as required by the Company or the competent authorities.

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.

3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.):

(1). Communication between independent directors and CPAs:

The CPAs regularly attend the Audit Committee and Board of Directors meetings to personally communicate with independent directors on significant matters and the financial and overall operational conditions of subsidiaries obtained during the audit process. At least once a year, the CPAs hold a closed-door meeting with independent directors.

(2). Communication between independent directors and internal audit:

The Company's internal audit department has dedicated auditors who report directly to the Board of Directors. Their main responsibilities are to review the Company's internal control system and report whether the design and execution of such controls are appropriate. Their scope covers all operations of the Company and its subsidiaries. Their main tasks are: (1) to develop an annual audit plan and execute audit work regularly based on the annual audit plan approved by the Board of Directors; (2) to submit written audit reports to independent directors every month and regularly report on the execution of internal audits to the Audit Committee. They also hold at least one closed-door meeting with independent directors each year to report on their work; (3) to review the self-assessment conducted by each unit and use the comprehensive results as a basis for the Board of Directors to issue an internal control statement.

Date of Audit Committee Meeting	Closed-Door Meeting Outline: Accountant	Results of Communication	Resolution
Feb. 25th,	1. Explanation of SAC's social insurance reserve	Accountants	The management has

2022	provision 2. Disclosure of significant post-period events 甲、 In April 2021, SAC increased its capital by RMB30,000 thousand by transferring its surplus. 乙、 In a share swap transaction with SynPower, Symtek proposed to issue 1,227 thousand shares to acquire 2,700 thousand shares of SynPower, with a share swap ratio of 1:2.2. 丙、 In order to introduce strategic investors, a private placement within the quota of 6,000 thousand shares was proposed. 3. Amendments to regulations on special reserve set aside by the FSC	reported to independent directors individually before the formal meeting. Independent directors approved without objection.	already explained it in the meeting. Subsequently approved by all directors present without any objection.
May 13, 2022	Major changes 1. Financial assets measured at fair value through other comprehensive income 2. Increase in accounts receivable 3. Increase in operating revenues Other matters 1-1. Estimated parent company only income taxes of Symtek 1-2. Estimated consolidated income taxes of Symtek 2. Self-prepared financial statements 3. Electronic voting 4. Electronic voting results	Accountants reported to independent directors individually before the formal meeting. Independent directors approved without objection.	The management has already explained it in the meeting.
Augst 12, 2022	Major changes 1. Adjustment of entries and description in the post-review financial statements 2. Disclosure and valuation of contract assets 3. Explanation of the evaluation of financial assets measured at fair value through other comprehensive income in the third quarter 4. Explanation of the effective tax rate for the period Other matters 1-1. Estimated parent company only income taxes of Symtek 1-2. Estimated consolidated income taxes of Symtek 2. Post-period event - Land purchase and sale: Discussion of the content of the purchase contract and subsequent handling 3. Post-period event - Investment in the newly established sub-subsidiary Xunlianke High-Tech Co., Ltd.	Accountants reported to independent directors individually before the formal meeting. Independent directors approved without objection.	The management has already explained it in the meeting. Subsequently approved by all directors present without any objection.
November 8, 2022	1. Report on the results of audit services conducted in September and October 2021 2. Report on the contents of the risk management policy 3. Report on the internal audit plan for 2022	The head of internal auditing reported to independent directors individually before the formal meeting. Independent directors approved without objection.	Subsequently approved by all directors present without any objection.

2. Attendance of Supervisors at Board Meetings: The Company established its Audit Committee on Aug. 13, 2014, and it has no supervisor now.

3. Professional qualifications and experience of audit committee members, and annual

work focus in 2022:

*Professional qualifications and experience of audit committee members

Convener Mr. He, Jian-De holds a PhD in Technology Management from Portland State University in the United States and has taught at Yuan Ze University for more than 10 years. He is currently a professor and dean of the College of Management at Yuan Ze University. His areas of expertise include strategic technology management, high-tech business competition strategy, and innovation management. He also serves as the Representative of Corporate Director for BMC Venture Capital Investment Corporation.

Committee member Mr. Jian, Rong-Kun holds a master's degree in Business Administration from the College of Commerce at National Chengchi University. He founded EISO Enterprise Co., Ltd. and has served as its chairman for more than 20 years. He also serves as an Independent Director of Ledlink Optics, Inc., Director of Cheer Time Enterprise Co., Ltd., Chairman of EISUN Enterprise Co., Ltd., and Chairman of Yi Cheng Construction Co., Ltd.

Committee member Mr. Liu, Zhi-Hong holds a master's degree in Accounting from National Taiwan University and is a certified public accountant with over 20 years of experience in public accounting. He also serves as an Independent Director of Poya International Co., Ltd., Independent Director of Sunny Pharmtech Inc. In addition, he became the Chairman of ThinFlex Corporation in 2021.

*Review of Financial Statements

The Board of Directors submitted to the Company the 2021 Annual Report, financial statements (including consolidated financial statements), and profit distribution proposal, among which the financial statements (including consolidated financial statements) were audited by Yang, Ching-Ting and Yang, Ching-Chen of Deloitte & Touche. After review by the Audit Committee, no discrepancies were found.

*Assessment of the Effectiveness of Internal Control Systems

The Audit Committee evaluates the effectiveness of the Company's internal control system, the independence and qualifications of accountants, and the appointment and removal of financial, accounting, or internal audit officers. This is to ensure that the Company's risk management and internal control framework are effective.

Mr. Zhao, Ren-Feng, the new internal audit officer appointed on November 9, 2021, is professionally certified and can effectively assist the Board of Directors in executing internal control operations.

*Evaluation of the independence and suitability of the auditing CPA

The Company evaluates the independence and suitability of the auditing CPA every year, including whether the same CPA has been engaged for seven consecutive years (please refer to the table below), whether the engaged CPA has been punished, or whether any situation has arisen that could impair their independence.

After evaluation, the accounting firm of Deloitte & Touche and its CPAs are not related parties to the Company. They meet the Company's standards for independence and suitability (as described in Note 1 on corporate governance), and are qualified to serve as the Company's auditors. Chuang, Wen-Yuan and Yang, Ching-Chen were nominated to be the Company's auditors for the financial statements of 2022, and the decision was submitted to the Audit Committee and the Board of Directors for approval on May 13, 2022.

(3) Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		In 2014, the Company implemented the "Corporate Governance Best Practice Principles" in line with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies." The Board of Directors approved an amendment to this policy on May 8, 2020. The Company reported on its operations at the Board of Directors' meeting on May 7, 2021. Please refer to the Company's website/Investor Services/Corporate Governance/Corporate Governance Related Regulations.	No significant difference.
2. Shareholding structure & shareholders' rights 1) Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		To ensure smooth communication between the Company and its investors, the Company has established a system of spokespersons and proxies. These channels are available on the Market Observation Post System, the Company's website, as well as through designated contact telephone numbers and email addresses. These channels are dedicated to handling shareholders' suggestions, questions, and disputes.	No significant difference.
2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		A professional stock affairs agency is responsible for managing the Company's daily shareholder affairs, and dedicated personnel are responsible for handling related matters. The Company ensures compliance with legal requirements by reporting any changes in shareholdings of directors, managers, and substantial shareholders holding 10% or more of the shares on a monthly basis. In accordance with regulations, the quarterly financial reports disclose the names, amounts, and percentages of shareholders who own more than 5% of the shares.	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	V		The Company conducts all business transactions with its affiliates based on fair and reasonable pricing and payment terms. To ensure compliance with these principles, the Company has established several procedures, including the "Procedures for Transactions with Related Parties, Specific Companies, and Groups," "Procedures for the Making of Endorsements and Guarantees," and "Procedures for Loaning Funds to Others." To maintain high standards of internal governance, the Company conducts annual internal audits of its subsidiaries. These audits are submitted to the management and independent directors for review on a regular basis.	No significant difference.
4) Does the Company establish internal rules against insiders trading with undisclosed information?	V		The Company takes insider trading seriously and has established several regulations to prevent it from occurring. These regulations include the "Regulations for Prevention of Insider Trading" and "Management of Insider Information Reporting." The regulations prohibit all employees, managers, and directors of the Company, as well as anyone who has knowledge of the Company through professional or control relationships, from engaging in any conduct that may involve insider trading. These measures ensure the integrity of the Company's operations and help maintain investor confidence. Please refer to the Company's website/Investor Services/Corporate Governance/Insider Trading Prohibition for details.	No significant difference.
3. Composition and Responsibilities of the Board of Directors 1) Does the Board develop and implement a diversified policy and specific objectives of management for the composition of its members?	V		The eighth session of the Company's Board of Directors is composed of eight members, including three independent directors. The Board has implemented a diversity policy that aims to achieve specific management objectives and milestones: Diversity Policy of the Board of Directors:	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			The Board's diversity policy is designed to ensure that the selection of directors takes into account the overall configuration of the Board of Directors. The composition of the Board of Directors is formulated with diversity in mind, and the Board establishes appropriate policies that align with its own operations, business model, and development needs. These policies include two major criteria: 1. Basic qualifications and values: The Board seeks diversity in terms of gender, age, nationality, culture, and other relevant factors. 2. Professional expertise: The Board aims to include members with diverse professional backgrounds, such as law, accounting, industry, finance, marketing, and technology, along with a wide range of professional skills and industry experience. Board members are expected to possess the necessary knowledge, skills, and qualities to effectively perform their duties, including but not limited to: (1) Strong operational judgment. (2) Proficiency in accounting and financial analysis. (3) Effective management skills. (4) Ability to handle crises. (5) In-depth industry knowledge. (6) A broad international market perspective. (7) Strong leadership abilities. (8) Sound decision-making skills. The Board of Directors should consist of more than half of independent directors and should not include individuals who are related by marriage or second degree of kinship. The Company's Board of Directors should consider adjusting its composition based on the results of performance evaluations,	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			ensuring that it has a diverse and effective mix of individuals who can bring value and insight to the Company. Specific Management Objectives of the Diversity Policy of the Board of Directors: The Board Diversity Policy sets specific management objectives to enhance corporate governance and foster a robust board composition and structure. The Company's board of directors should consider various factors such as the Company's operational structure, business development direction, and future development trends, and appropriately assess various diversity orientations. For instance, the board should take into account basic composition, including gender, nationality, and age. The board should also evaluate industry experience, such as production, investment, education, and marketing, as well as professional knowledge and skills, such as accounting, risk management, production management, and asset management. Specific Implementation of the Diversity Policy of the Board of Directors:	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
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<tr><th rowspan="2">姓名</th><th rowspan="2">職稱</th><th rowspan="2">國籍</th><th rowspan="2">性別</th><th rowspan="2">員工身分</th><th colspan="2">獨立董事任期年資</th><th colspan="3">年紀區間</th><th colspan="4">產業經驗</th><th colspan="4">專業能力</th></tr>
<tr><th>3年以下</th><th>3-9年</th><th>55以下</th><th>56至65</th><th>66至75</th><th>半導體</th><th>投資</th><th>教育</th><th>行銷</th><th>會計</th><th>風險管理</th><th>生產管理</th><th>策略</th></tr>
<tr><td>官錦堃</td><td>董事長</td><td rowspan="3">中華民國</td><td>男</td><td></td><td></td><td></td><td></td><td></td><td>V</td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td>V</td><td></td><td>V</td></tr>
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<tr><td>邱銘乾</td><td>董事</td><td rowspan="6">中華民國</td><td>男</td><td></td><td></td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td></td><td>V</td><td></td><td></td><td>V</td><td>V</td></tr>
<tr><td>曲榮福</td><td>董事</td><td>男</td><td></td><td></td><td></td><td></td><td>V</td><td></td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td></td><td>V</td></tr>
<tr><td>譚明珠</td><td>董事</td><td>女</td><td></td><td></td><td></td><td></td><td>V</td><td></td><td></td><td></td><td></td><td></td><td>V</td><td>V</td><td>V</td><td></td></tr>
<tr><td>何建德</td><td>獨立董事</td><td>男</td><td></td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td></td><td>V</td><td></td><td></td><td>V</td><td></td><td></td></tr>
<tr><td>簡榮坤</td><td>獨立董事</td><td>男</td><td></td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td></td><td></td><td>V</td><td></td><td>V</td><td>V</td><td></td></tr>
<tr><td>劉致宏</td><td>獨立董事</td><td>男</td><td></td><td></td><td>V</td><td>V</td><td></td><td></td><td></td><td>V</td><td></td><td></td><td>V</td><td>V</td><td></td><td></td></tr>
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Please refer to the Company's website/Investor Services/Board of Directors/Board Diversity Information.
Note B: On March 8, 2022, the Board of Directors of the Company nominated a female director as a candidate for the next term of directors, in line with the Company's commitment to promoting diversity on its board.
</td><td></td></tr>
<tr><td>2) Does the Company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?</td><td>V</td><td></td><td>According to Article 13-1 of the Company's Articles of Incorporation, the Board of Directors has the authority to set up additional functional committees as required for business operations. For each of these committees, relevant organizational rules and regulations must be established and approved by the Board of Directors.</td><td>No significant difference.</td></tr>
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Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the compensation of individual directors and nominations for reelection?	V		On November 8, 2022, the Board of Directors of the Company amended and approved the "Performance Evaluation Rules for the Board of Directors". The detailed information can be found on the Market Observation Post System and the Company's website. The internal evaluation of the Board of Directors' performance is conducted once a year, with the evaluation period ending by the end of the first quarter of the following year. The self-assessment questionnaire for the Board of Directors and its members' performance evaluation for the year 2022 was completed prior to the most recent board meeting and has been included in the report of the Board of Directors' meeting on February 24, 2023. The Board of Directors' performance evaluation covers five key areas, consisting of 45 individual items, as follows: 1. Participation in company operations. 2. Improvement of decision-making quality by the Board. 3. Board composition and structure. 4. Director selection and continuing education. 5. Internal control. In addition, the performance evaluation of board members encompasses six major aspects, with a total of 23 evaluation items, including: 1. Understanding of the Company's objectives and tasks. 2. Awareness of director responsibilities. 3. Involvement in company operations. 4. Management of internal relationships and communication. 5. Professional development and continuing education. 6. Internal control. The performance evaluation of the Board of Directors is conducted	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			by the executive unit of the Company, which collects information related to the Board's activities and completes both the "Board of Directors' Performance Evaluation Self-Assessment Questionnaire" and the "Board Members' Performance Evaluation Self-Assessment Questionnaire." The executive unit then compiles the evaluation results and sends them to the Board of Directors for review and improvement. These evaluations serve as an important reference for future salary and compensation decisions and for nominations of directors for reappointment. The comprehensive evaluation of the Board of Directors' performance indicates that "despite the ongoing epidemic, some directors were able to attend meetings via video and still effectively perform their duties as supervisors." The comprehensive evaluation of the of Board Members indicates that "despite the ongoing epidemic, some directors were able to attend meetings via video and still effectively perform their duties as supervisors." Both the Board of Directors' Performance Evaluation Self-Assessment Questionnaire and the Board Members' Performance Evaluation Self-Assessment Questionnaire were signed by all nine members of the Board of Directors and kept for records.	
4) Does the Company regularly evaluate the independence of CPAs?	V		The Company's Audit Committee conducts periodic evaluations to assess the independence of its certified public accountants, and reports the findings to the Board of Directors on an annual basis. To ensure that the Company meets its requirements for independence and suitability, the "Accountants' Review Form" is prepared and the "Statement of Independence" issued by the certified public accountants is obtained. The results of the evaluation	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			demonstrate that Chuang, Wen-Yuan and Yang, Ching-Chen have satisfied the Company's criteria for independence and suitability, and therefore they are qualified to serve as the Company's certified public accountants for its 2022 financial statements. The proposed appointment of these two certified public accountants is subject to approval by the Audit Committee and the Board of Directors on May 13, 2022. Please refer to Note 1 for the evaluation of the independence of the accountants.	
4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	V		On November 9, 2021, the Board of Directors of the Company passed a resolution to appoint Ms. Zhang Yuan-Zhen as the Head of Corporate Governance. Ms. Zhang has over three years of experience serving as the head of internal audit at a public company. <u>Main responsibilities:</u> 1. Conducting meetings of the board of directors and shareholders' meetings in compliance with relevant laws. 2. Preparing minutes of board meetings and shareholders' meetings. 3. Assisting directors in their appointment and ongoing education. 4. Providing directors with necessary information to facilitate their business activities. 5. Assisting directors in adhering to legal and regulatory requirements. 6. Carrying out any other duties as stipulated in the Company's articles of incorporation or contracts. <u>The Head of Corporate Governance has been tasked with various duties for fiscal year 2022, which include:</u> 1. Assisting the Chairman of the Board of Directors and Committee Chairmen in convening meetings by providing adequate meeting	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			information, notifying members of the meeting, and ensuring compliance with relevant regulations. In fiscal year 2022, the Board of Directors held eight meetings, the Audit Committee held six meetings, and the Compensation Committee held three meetings. 2. Arranging courses to meet the directors' needs and ensuring that each director completes their annual training hours. 3. Registering in advance for the 2021 Annual General Meeting of Shareholders, providing meeting information and annual reports, and protecting the rights of shareholders. 4. Reporting to the Board of Directors on May 7, 2021, on the Company's performance in three areas for fiscal year 2020: corporate governance, fulfillment of social responsibility, and implementation of integrity management. 5. Reporting to the Board of Directors on November 9, 2021, on the results of the corporate governance evaluation for fiscal year 2021. 6. Providing directors and insiders with information on corporate governance-related laws and regulations to facilitate compliance with the law. 7. Inviting independent directors, accountants, and auditors to a closed-door meeting to understand the current status of the implementation of the internal control system. Please refer to the Company's website/Investor Services/Board of Directors/Communications between the independent directors and internal auditors. 8. Responding to directors' requests in a timely and effective manner, and maintaining smooth communication between	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			directors and supervisors. Please refer to the Company's website/Investor Services/Corporate Governance/Corporate Governance Officers. 9. Establish Nomination Committee on Augst 12nd 2022, and convence first meeting on November 8th 2022.	
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company has a spokesperson and a proxy spokesperson to serve as a communication channel for stakeholders. An investor service area has been set up on the Company's website to disclose information and corporate governance information related to the Company's financial operations for the reference of shareholders and stakeholders. Please refer to (Note 3) Stakeholder identification and communication.	No significant difference.
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has appointed Taishin Securities as its professional stock affiars agency.	No significant difference.
7. Information Disclosure 1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has set up an investor service area on its website for shareholders and investors to inquire about the Company's financial operations and corporate governance. (www.saa-symtek.com)	No significant difference.
2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		The Company strictly adheres to the regulations set forth by competent authorities and relevant laws to announce and report various information. Shareholders can conveniently access information about the Company's developments and major events on the Market Observation Post System or the Company's website. Moreover, the Company has established a system of spokespersons	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			and proxies, available on the Market Observation Post System, the Company's website, and through contact telephone numbers and e-mails, as a channel for handling shareholders' suggestions, questions, and disputes. This ensures smooth communication between the Company and its investors.	
3) 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 operation results, before the prescribed time limit?	V		The Company discloses its financial reports on the day the Board of Directors approves them. For instance, the financial report for fiscal 2021, and the financial reports for the first, second, and third quarters of fiscal 2022 were announced ahead of the prescribed deadline on Feburary 25, May 13, August 12, and November 8, 2022, respectively. The Company also announces and reports revenue each month before the deadline, ensuring timely and appropriate disclosure of information that may affect shareholders' and stakeholders' decision-making processes.	No significant difference.
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		1. Employee Rights and Welfare: Employee rights and well-being are a top priority at our company. We believe in cultivating strong labor relations, treating our employees with honesty and trust, and protecting their legal rights and interests in accordance with the Labor Standards Act. In addition to fostering a healthy workplace, we offer our employees a comprehensive welfare system and a robust education and training program to support their professional development and enable them to make valuable contributions to the Company. We believe that a healthy and positive work environment with happy employees will contribute to the overall development of the Company. For a detailed overview of employee benefits, please refer to the	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Employee Benefit Measures in V - Operational Highlights/Labor Relations. 2. Investor Relations: The Company is committed to safeguarding the rights and interests of our shareholders and treating all shareholders fairly. In addition to complying with relevant regulations by disclosing significant information about the Company's finances, operations, and changes in insider ownership on the Market Observation Post System, we also have an investor section on our website that provides timely disclosure of information about our financial operations and corporate governance. The minutes of the Company's shareholders' meetings are recorded in accordance with the Company Act and relevant regulations, and are permanently kept by the Company and posted on our website. 3. Supplier Relations: We believe in a win-win partnership and have established long-term, close cooperation with our suppliers to pursue sustainable growth based on mutual trust and benefit. Our suppliers are not only important production partners but also play a crucial role in our efforts to fulfill corporate social responsibility. With the active cooperation and response of our suppliers, we can collectively uphold environmental and social sustainability and create higher social value. Our official website has a complaint channel for ethical violations, which serves as a platform for communication and addressing complaints with our company. 4. Stakeholder Rights: To protect the legitimate rights and interests of stakeholders, the Company has established a system of spokespersons and proxies as channels for communication and	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			advice. Additionally, the Company has established an investor service area on its website that provides relevant information about the Company's financial operations and corporate governance for reference. 5. Continuing Education for Directors: The directors of the Company possess relevant professional knowledge and have completed courses on securities laws and regulations in accordance with legal requirements. All members of the Board of Directors meet the required number of study hours. Please refer to (Note 4) Directors and Independent Directors Continuing Education. 6. The Board of Directors of the Company is responsible for approving, reviewing, and supervising the effectiveness of the risk management policy, and is the highest authority in this regard. To manage risks, a cross-departmental team, headed by the COO, has been established. This team includes vice conveners appointed by the COO and members designated by each functional unit. The COO monitors, measures, and evaluates risks at the executive level, and submits risk management reports to the Board of Directors at least once a year. The Audit Office prepares an annual audit plan based on the Company's risk assessment, periodically checks the implementation of risk controls, and issues audit reports based on the findings. On November 9, 2021, the Board of Directors reported the risk management policy for 2021, and disclosed the policy and implementation status on the Company website. Please refer to the Company's website/Investor Services/Corporate Governance/Risk Management Policy. 7. Customer Policy Implementation: To maintain our competitive	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			edge, we actively stay up to date with the latest market trends and develop a wide range of products and services for our customers to choose from. Our core strategy is to remain customer-oriented, flexible, and adaptable in order to maintain stable and positive relationships with our customers. To ensure the service quality that we promise, we conduct regular visits to maintain daily connections with our customers and pay close attention to their feedback. 8. Director Liability Insurance: To reduce and diversify the legal risk of our directors' business scope and minimize the risk of significant damage to the Company and its shareholders, we have taken out liability insurance for our current directors. The policy was initially issued in 2016, and the most recent renewal period began on April 17, 2022, for a one-year term, which was reported during the board of directors' meeting on May 13, 2022. The policy offers a coverage amount of US$5 million, and covers all directors, while the scope of coverage and the premium rate are important details. 9. The 2022 Shareholders' Meeting was held on May 27, in compliance with the epidemic prevention policy. The 9th Board of Directors' attendance consisted of Wang, Nien-Ching and He, Jian-De, with an attendance rate of 71%. 10. Please refer to the Company's website/Investor Services/Corporate Governance/Succession Planning for Board Members and Key Management Personnel for the succession plan of the Board of Directors and the management of the Company.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. (It is not necessary for a company which is not evaluated to fill this column)	V		The Company's corporate governance assessment items are outlined below: Improved items: 1.15 Implementation of prohibition of insider trading 2.9 Succession planning for board members and key management personnel 2.15 Communication between independent directors and internal auditors and accountants 2.21 Establishment of a corporate governance officer 2.22 Adoption of risk management policies and procedures 2.24 Establishment of an information security risk management framework and policies 2.30 Head of internal audit obtains international internal auditor certification 3.16 Disclosure of the list of major shareholders on the Company's website 3.20 Holding at least two corporate conferences 4.15 Implementation of operational integrity For items that have not yet been improved, the priority for improvement is expected to be: 1.9 Simultaneous uploading of the English-language meeting notice 30 days prior to the regular shareholders' meeting 2.6 The board of directors shall include at least one female director. 2.14 Establishment of functional committees other than those required by law	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			3.4 Publication of the annual financial report within two months after the end of the fiscal year 4.14 Disclosure of the identity of the identified stakeholders, their concerns, communication channels and response methods	

(Note 1) CPA Independence Evaluation Item

評估項目	會計師法第47條	評估結果是/否	是否違反獨立性
1. 會計師是否與本公司有密切之商業關係及潛在僱傭關係	一	否	否
2. 會計師及其審計小組成員目前或最近兩年是否有在本公司擔任董事、經理人或對審計工作有重大影響之職務	二	否	否
3. 會計師是否與本公司之董事、經理人或對審計案件有重大影響職務之人員有親屬關係	三	否	否
4. 會計師是否與本公司有直接或重大間接財務利益關係	四	否	否
5. 會計師是否與本公司、或本公司董事有融資或保證行為	五	否	否
6. 會計師是否有對本公司提供可能直接影響審計工作的非審計服務項目	六	否	否
7. 本公司是否連續七年未更換會計師簽證會計師，或簽證會計師受有處分或損及獨立性之情事	七	否	否
8. 會計師是否有仲介本公司所發行之股票或其他證券	–	否	否
9. 會計師是否有擔任公司之辯護人或代表本公司協調與其他第三人間發生的衝突	–	否	否
10. 會計師是否與本公司有任何不適當關係	–	否	否

(Note 2) Corporate Governance Officer Continuing Education for Year 2022

Date	Organizer	Course	Hours	Total Hours for the Year
May 20	Securities and Futures Institute	2021 Seminar on Prevention of Insider Trading	3 hours	18 hours for beginners
June 22		Training Program for Beginner Directors and Supervisors and Corporate Governance Executives Morning: Legal Issues that Directors and Supervisors of Public Companies Should be Aware of Afternoon: How to Perform the Duties of Directors and Supervisors of Listed (over-the-counter) Companies	6 hours	
July 5		Training Program for Beginner Directors and Supervisors and Corporate Governance Executives Morning: Financial Information Interpretation Skills for Directors and Supervisors Afternoon: Corporate Governance and Board Operations	6 hours	

November 29	Taiwan Corporate Governance Association	Analysis of key information and responsibilities in annual reports: Directors' and supervisors' perspectives	3 hours	

(Note 3) Stakeholder identification and communication

Stakeholders	Topics	Communication Channels
Customers	Smart Products Green Products Customer Privacy Protection Product Responsibility	(1) Quarterly customer satisfaction survey (2) Daily phone and email contact (3) Occasional in-person visits
Suppliers	Local Sourcing Supplier Sustainability Management	(1) Annual supplier audits (2) Daily phone and email contact (3) Occasional meetings and site visits
Employees	Occupational Health and Safety Compensation and Welfare System Labor Relations and Communication	(1) Quarterly labor-management coordination meetings (2) Employee education and training (3) Internal correspondence, emails, and bulletin boards (4) Welfare committee (5) Employee grievance mechanism
Investors / Shareholders	Operational Performance Operational Integrity	(1) Quarterly financial reports (2) Annual shareholders' meeting (3) Disclosure of significant information on the Market Observation Post System and company website (4) Corporate conference
Government Agencies	Operational Performance Occupational Health and Safety Smart Products	(1) Quarterly financial reports (2) Occasional participation in relevant meetings (3) Compliance with laws and regulations
Community Residents	Supporting or Investing in Social Development	(1) Maintain good interaction with community members (2) Participate and assist in community activities
Industrial / Academic Institutions	Industry-Academia Cooperation Smart Products	(1) Industry-academic cooperation programs (2) Occasional technical exchanges

(Note 4) Directors and Independent Directors Continuing Education

Title	Name	Date of Appointment	Date of Course	Organizer	Course	Hours
Independent Director	Liu, Zhi-Hong		2021.03.29	Taiwan Corporate Governance Association	From ESG Investment to Corporate Sustainability: Insights into Investor Perspectives	3 hours
					Legal Considerations for Board of Directors to Supervise Enterprises: Understanding Joint Act Red Lines when Overseeing Enterprises.	3 hours
Independent Director	Jian, Rong-Kun		2021.04.26	National Innovation and Entrepreneurship Association	Enterprise Risk Management in the Digital Age: Embracing a Digital Transformation Strategy	6 hours
Independent Director	He, Jian-De		2021.07.29	Taiwan Investor Relations Institute	Analysis of the New Corporate Governance and Board Performance Evaluation	3 hours
			2021.07.30		Corporate Crisis Trends and Risk Forecasting	3 hours
Director	Wang, Nien-Ching		2021.09.01	Financial Supervision Commission	The 13th Taipei Corporate Governance Forum	3 hours
Independent Director	He, Jian-De					3 hours
Director	Zhou, Qing-Lin		2022.09.02	The Institute of Internal Auditors, R.O.C.	Legal Self-Protection: How to Navigate the Investigation and Trial Process	6 hours
Chairman	Kuan, Chin-Kun		2021.09.13 & 2021.09.16	Digital Governance Association	ESG Development Trends and Digital Response Strategies & Strategies for the New Eastward Trend.	6 hours
Director	Wang, Nien-Ching					6 hours
ROYAL MAX HOLDINGS LIMITED Juristic person director representative	Guan, Tian-Yu					6 hours
Director	Qu, Rong-Fu					6 hours

(4) Status of the Compensation Committee established by the Company

1. Information of the Members in the Compensation Committee

March 31, 2022

Title	Criteria / Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Compensation Committee Member
All members of the Compensation Committee are independent directors. Please refer to: Directors and Supervisors Information	Jian, Rong-Kun (Convener)	Mr. Jian, Rong-Kun, is holds a Master's Degree in Business Administration from the National Chengchi University School of Business. He founded EISO Enterprise Co. over 20 years ago, and has been serving as its chairman ever since. Currently serving as Independent Director of Ledlink Optics, Inc., Director of Cheer Time Enterprise Co., Ltd., Chairman of EISUN Enterprise Co., Ltd, Chairman of Yi Cheng Construction Co., Ltd.	In accordance with: 1. Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies 2. Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange 3. Checklist of qualifications for independent directors (during their term of office). Review of Qualification Results: All of the Company's independent directors have no significant relationships that affect their independence. All independent directors shall perform their duties appropriately and objectively in the best interest of the Company.	1
	Liu, Zhi-Hong	Mr. Liu, Zhi-Hong holds a master's degree in accounting from National Taiwan University and a CPA license, and has over 20 years of experience in accounting firms. Currently serving as Independent Director of Poya International Co., Ltd., Independent Director of Sunny Pharmtech Inc., and starting in 2021, as the Chairman of ThinFlex Corporation.		2
	He, Jian-De	Mr. He, Jian-De holds a PhD in Technology Management from Portland State University and has been teaching at Yuan Ze University for over 10 years. His research interests include strategic technology management, high-tech business competition strategy, and innovation management. Currently serving as Representative of Corporate Director, BMC Venture Capital Investment Corporation.		0

2. Implementation Status of the Compensation Committee

i. There are 3 members in the Compensation Committee of the Company.

ii. The term of office of the current members: May 27, 2022 to May 26, 2025. The Compensation Committee of the Company held 4 (A) meetings in 2022 and 2023. The qualification and attendance of members was as follows:

Title	Name	Attendance in person (B)	By proxy	Attendance Read (%) (B/A)	Remarks
Independent Director	Jian, Rong-	4	-	100%	Convener

	Kun				
Independent Director	He, Jian-De	4	-	100%	Member
Independent Director	Liu, Zhi-Hong	4	-	100%	Member

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the compensation committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the compensation committee's opinion (If the compensation approved by the board of directors is better than that recommended by the compensation committee, the difference and the reasons for the difference should be stated): None.
2. Resolutions of the compensation committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None. Please see the summary in the following table.

3. Compensation Committee Meeting Resolutions

Date	Compensation Committee Motions	Result of Resolution	Number of Attendees	Result of the Board of Directors' Resolution
2022/3/8 (The 4th Compensation Committee The 11th Meeting)	Proposal 1: Compensation to Directors and Employees for Year 2020.	The motion was passed without any objections from any of the members.	3	The motion was passed without any objections from any of the directors.
2022/8/12 (The 5th Compensation Committee The 1st Meeting)	Proposal 1: Review of the Company's 2020 Managerial Officers Performance Bonus.	The motion was passed without any objections from any of the members.	3	The motion was passed without any objections from any of the directors.
2022/12/19 (The 5th Compensation Committee The 2nd Meeting)	Proposal 1: Review of the policies, standards and structure of the compensation to directors and managerial officers of the Company for year 2022. Proposal 2: Review of the year-end bonus for managerial officers of the Company for year 2022.	The motion was passed without any objections from any of the members.	3	The motion was passed without any objections from any of the directors.

(5) Implementation of Sustainable Development

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		The Company revised the Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" by the Board of Directors on March 8, 2022. Please refer to the Company's website/Investor Services/Corporate Governance. On May 13, 2022, the General Manager's Office, Human Resources Department, and Operations Management Department reported on their efforts to promote sustainable development at the Board of Directors' meeting. (一) The chairman and General Manager of the Company have set a vision for sustainable development, centered around the core technology of smart manufacturing. Our mission is to educate and train talents, to collaborate with educational institutions and public organizations, and to bring smart manufacturing into industries and daily life, creating employment opportunities and enhancing industrial competitiveness while improving environmental sustainability. (二) Each department has been assigned to a corporate governance, environmental/product, and social/employee group based on their business responsibilities. We've integrated the resources and management systems of each department to build a driving module for	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			sustainable development and a process structure for performance evaluation. (三) Moving forward, we plan to include sustainable development in employee education and training. This will ensure that managers in each department can lead all employees to fully understand the Company's sustainable management philosophy. (四) We aim to support our key suppliers in proposing supplier pledges that include sustainable development initiatives, such as anti-discrimination, anti-labor, anti-child labor, anti-corruption, anti-bribery, and environmental protection.	
2. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		The Company's Board of Directors is responsible for risk management policies, and approves, reviews, and supervises to ensure their effectiveness. As the highest authority, the Board of Directors bears ultimate responsibility for risk management. We've established a cross-departmental risk management team, headed by the COO and several vice conveners. This team comprises designated members from each internal department and is responsible for monitoring, measuring, and evaluating the Company's risk at the executive level. They prepare and present risk management reports to the Board of Directors at least once a year. Additionally, the Audit Office creates an annual audit plan based on the Company's risk assessment results. They conduct regular checks to	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			ensure that risk controls are implemented, and issue audit reports based on their findings. On November 8, 2022, we reported our 2022 Risk Management Policy to the Board of Directors and disclosed our 2022 Policy and implementation status on our website. Please refer to the Company's website/Investor Services/Corporate Governance/Risk Management Policy.	
3. Environmental issues 1) Does the Company establish proper environmental management systems based on the characteristics of its industry?	V		1. Our commitment to sustainable development extends to working with suppliers, customers, and industry and academic institutions during product design and development. We strive to improve energy and resource efficiency, and our automated equipment helps customers increase yield and quality while reducing waste of raw materials and energy during manufacturing. This indirectly promotes the growth of high-tech industry operations, reduces the intensity of resource use, and contributes to environmental sustainability.	No significant difference.
2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		2. Our company specializes in assembling machine automation equipment for electronics, optoelectronics, and semiconductors. Our operations generate negligible environmental pollutants, including air, water, and hazardous substances. We ensure proper disposal of all waste generated during daily operations and production. As part of our commitment to resource efficiency, we promote the	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			importance of resource separation and recycling to our employees by setting up recycling bins in the office area. We also collect surplus materials like aluminum, iron, and wire, and commission professional manufacturers to recycle them, allowing reusable materials to be put back into the production cycle. Furthermore, our fully electronic employee attendance system reduces paper usage, fulfilling our corporate responsibility for environmental protection and resource efficiency.	
3) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?		V	3. We're currently evaluating the potential risks and opportunities of climate change on our current and future business, along with measures to address them.	Under evaluation.
4) Does the Company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	V		4. The Company's main source of greenhouse gas emissions, outside of Scope 2, is purchased electricity due to industry characteristics. We carry out air conditioning temperature control based on different seasons to effectively utilize energy and achieve our energy-saving and carbon-reduction goals. Additionally, we continuously monitor energy consumption within our operations, track changes in our greenhouse gas emissions, and publicly disclose them in our CSR report to fulfill our corporate citizenship responsibility for energy conservation and carbon reduction. Please refer to our website/Corporate Social	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Responsibility	
4. Social issues 1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		(1) The Company upholds and supports the Universal Declaration of Human Rights (UDHR), and endeavors to comply with the laws and regulations of all locations where we operate. We're committed to protecting the human rights of all employees, including regular employees, contract employees, and interns, according to international human rights standards, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights. To safeguard the rights and interests of our workers, we've established and disclosed guidelines with reference to international human rights conventions: 1. Comply with relevant labor laws and regulations, respect basic labor human rights, and protect the legal rights of employees. 2. Respect gender equality, establish sexual harassment prevention and treatment regulations, and create a "fair and friendly" working environment in accordance with labor laws and gender equality laws. 3. Protect the labor rights of indigenous people, migrant workers, and disadvantaged groups with physical and mental disabilities.	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			4. Ensure equal work opportunities without differential treatment and discrimination in employment policies. 5. Prevent the use of child labor, forced or coerced labor 6. Establish safe work practices and conduct regular workplace inspections to provide a safe and healthy working environment for employees. 7. Support and assist employees in maintaining their physical and mental health. 8. Open two-way communication channels for the promotion of company policies and listening to employees' opinions.	
2) Does the Company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		(2) We offer our employees competitive salaries and benefits that exceed legal requirements, while also complying with labor laws and regulations. We are committed to fostering a culture of talent development, taking into account market standards, operational sustainability, and fairness, to ensure the protection of our employees' rights and interests. Employee compensation includes monthly salaries, annual bonuses tied to company profitability, and performance-based bonuses and year-end bonuses based on both business and individual performance, creating a mutually beneficial relationship where business success is accurately reflected in employee compensation.	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			The annual and performance bonuses are designed to reward employees for their contributions to the Company, and to incentivize them to remain in their positions, thereby aligning employee interests with operational performance and shareholder interests. As stipulated in Article 19 of the Company's Articles of Incorporation, at least 1% of the profit for the year will be allocated to employee compensation, to be distributed in either shares or cash after approval by the Board of Directors. The specific amount received by each employee will be based on their responsibilities, contributions, and performance. The Company's welfare measures include the Employee Stock Ownership Trust Incentive Program, on-the-job training and degree subsidies to expand employees' professional fields and promote lifelong learning, and diverse welfare programs and health management. These measures aim to align employee and shareholder interests while supporting employee development and well-being. For the rest of the benefits, please refer to the Employee Benefit Measures in V. Operational Highlights / V. Labor Relations.	
3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		(3) The Company ensures a safe and comfortable work environment for our employees by providing the necessary safety and health equipment and establishing safety regulations to	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			prevent accidents. Regular inspections are conducted by supervisors and management units. We comply with relevant laws and regulations to prevent occupational hazards and protect the health and safety of our employees. We provide necessary training and inspections for employees to promote health and disaster prevention education. Our safety and health code of conduct, as set by the Council of Labor Affairs, Executive Yuan, is reported to the Northern District Labor Inspection Office for approval and implementation. Maintaining the health and happiness of employees is key to achieving sustainable growth. Employees operating dangerous machinery or equipment such as cranes, as well as managers overseeing hazardous material operations, must receive training and certification from a government-approved institution to ensure their qualifications.	
4) Does the Company provide its employees with career development and training sessions?			(4) Please refer to the Education and Training Information in V. Operational Highlights / V. Labor Relations.	No significant difference.
5) Do the Company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		(5) The Company specializes in producing customized and automated equipment. To ensure customer safety, we design and verify our products in accordance with relevant safety standards. We use high-voltage testing machines to ensure electrical safety, incorporate safety devices in our mechanical design, conduct human factors engineering evaluations,	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			and post warning signs on potentially hazardous parts of our products. Our operation manuals contain safety announcements and warnings to provide customers with the necessary safety information. We prioritize the protection of our customers' confidential information by signing confidentiality agreements with them. We have also established fair competition and anti-monopoly clauses in our employee code of conduct to prevent the disclosure or publicizing of our customers' intellectual property and privacy. Our employees are strictly prohibited from violating these clauses. Ensuring customer satisfaction is essential, and proper handling of customer complaints is key to achieving this. Our company has established a "Customer Complaint Handling Process" that outlines the process for handling customer complaints, grievances, proposals, or dissatisfaction with products. When a complaint arises, we notify relevant departments such as R&D, quality assurance, or manufacturing, analyze the cause, develop improvement measures, and report the results to the customer to ensure satisfactory after-sales service. Furthermore, we adhere to relevant laws, regulations, and international standards for marketing and labeling. We do not engage in deceptive, misleading, or fraudulent practices	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			that could undermine consumer trust or harm consumer rights.	
6) Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		(6) Our company prioritizes providing better products and innovative technologies, which is why we have established long-term, close partnerships with our suppliers. We base these relationships on principles of mutual trust, mutual benefit, and win-win situations in our pursuit of sustainable growth. Our suppliers are not only important production partners but also actively cooperate with us in our company's sustainable development. Together, we strive to maintain environmental and social sustainability and create higher social value. Our Supplier Pledge emphasizes the importance of respecting basic human and labor rights, creating a positive labor environment, and providing fair treatment of employee wages and benefits. We strictly prohibit the use of child labor among our suppliers to protect children's development. Additionally, we require our suppliers to comply with environmental regulations and to not engage in practices that result in serious environmental hazards, which could lead to penalties from competent authorities. Our company has a strict policy that prohibits suppliers from engaging in improper practices, such as offering bribes or gifts to Symtek employees, their relatives, or friends. We also require our suppliers to comply with intellectual	No significant difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			property rights and confidentiality provisions to protect the integrity of business competition. Our purchasing personnel also emphasize anti-corruption principles through verbal communication when working with suppliers. If a supplier is found to be in serious violation of company policy or has a significant negative impact on the environment or society, we may terminate or cancel the procurement contract.	
5. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the Company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?	V		Our company voluntarily prepares CSR (Corporate Social Responsibility) reports without seeking confirmation or assurance of opinion. However, we will evaluate whether third-party verification will be obtained in the future. Please refer to the Company's website/Corporate Social Responsibility.	No significant difference.
6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the Company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies: Our company has established "Sustainable Development Best Practice Principles" with clear guidelines. We strive to make the best use of our corporate resources to achieve our sustainability goals, leaving no significant difference unaddressed.				
7. Other significant information for explaining the implementation status of sustainable development practices: (1) Smart Product DNA The Company helps customers to build a smart factory in four stages: 1. Upgrading non-automated equipment to automation 2. Connecting automation equipment 3. Collecting data from automated equipment and integrating it for analysis and conversion 4. Establishing a database and developing big data algorithms for analysis, prediction, and monitoring purposes To assist customers in the transformation of Industry 4.0, we can help them achieve the following: 1. Reduce errors, defective products, and overproduction. 2. Utilize big data analysis to identify the best parameters for reducing energy, water, and material consumption, ensuring that valuable resources are not wasted and creating greater customer value.				

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Industry-Academia Cooperation DNA We aim to foster internal innovation by leveraging the resources of research institutes and organizations, and cultivating Industry 4.0 talent to contribute to the industry. Industry-academia cooperation is one of the key sources of our core competitiveness, and we partner with organizations such as the TPCA, ITRI, and universities. Our focus areas include machine innovation, software development, and Industry 4.0 applications. In addition to cooperation projects, we also donate technical support for robot arm development to nearby universities and public associations, bridging the gap between academia and practical operations. We have invested over $4 million in related industry-academia cooperation projects to date. (3) Other 1. Each year, donate $300,000 to the neighboring elementary school's nutritious lunch fund for disadvantaged students, which has now accumulated more than $3.3 million. 2. Publish a CSR report voluntarily to showcase our sustainable contributions and performance in corporate governance, economy, environment, and society. 3. Our employee welfare system, combined with an excellent education and training system, empowers employees to lead fulfilling lives while realizing their personal values. We introduced the "Employee On-the-job Training Program" in 2020 to incentivize employees to pursue further education, expand their professional fields, and cultivate the habit of lifelong learning. Employees with more than one year of service are eligible for a 50% training cost subsidy. 4. Establish an employee welfare trust plan committee, with Symtek employees as members, involves contributing a designated portion of their salary income towards investing in Symtek stocks for an extended duration. The objective is to manage and utilize the trust assets to benefit all members, leading to wealth accumulation and protection of their future lives.				

(6) Fulfillment of Ethical Corporate Management and the Measures Taken

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs 1) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		(1) To enhance the standards of corporate governance and create a favorable business atmosphere, the Company has implemented several initiatives aimed at promoting ethical practices. This includes the establishment of the "Best Practices for Ethical Corporate Management," " Codes of Ethical Conduct," and "Procedures for Ethical Management and Guidelines for Conduct," which are available for all to view on the Company's website. The Company's leadership, staff, and employees are strictly forbidden from engaging in any activities that result in personal gain at the expense of the Company or any of its stakeholders. The Board of Directors and management are dedicated to maintaining the highest standards of integrity in their internal operations and business dealings. They steadfastly uphold this commitment through their active engagement and implementation of honest management practices. Please refer to the Company's website/Investor Services/Corporate Governance/Corporate Governance Related Regulations.	No significant difference.
2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of	V		(2) The "Procedures for Ethical Management and Guidelines for Conduct" of the Company provide a clear outline of the target behaviors,	No significant difference.

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?			prohibited actions and potential conflict of interest scenarios. These procedures also designate the Human Resources Department as the responsible unit tasked with ensuring the implementation and enforcement of these guidelines. To ensure that all employees are aware of and adhere to the standards of corporate integrity, ethics, and confidentiality, the Company has taken a multi-faceted approach. The relevant regulations and documents are readily available on the internal website for employees to review at any time. Additionally, the Company communicates these requirements and regulations through various channels, such as labor-management meetings, training programs, and direct guidance. This ensures that all employees are familiar with and follow the SAA Code of Conduct. The Company takes any potential violations of its Codes of Ethical Conduct very seriously. All reported cases are thoroughly investigated and, if confirmed, the Company takes swift and decisive action. This may include termination of employment or termination of business relationships, as well as legal proceedings, as appropriate. The Company is committed to upholding its standards of ethical behavior and will not tolerate any violations.	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?	V		(3) The Company complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, and the Ethical Corporate Management Best Practice, and is committed to conducting all of its operations in good faith. The Company strives to ensure the accuracy, reliability, and timeliness of financial, management, and operational information, as well as compliance with relevant rules, guidelines, procedures, and regulations. To achieve this, internal audits are conducted in accordance with the annual audit plan approved by the Board of Directors. The results of these audits and any corresponding improvement plans are promptly reported to the Board and management for review and implementation. The Company has also established a confidential reporting channel, available on its website, for employees to report any suspected ethical violations. Additionally, an independent email box is available for the reporting of fraudulent behavior, and the Company takes its commitment to maintaining confidentiality seriously.	No significant difference.
2. Fulfill integrity operation policy 1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(1) When entering into contracts, the Company takes care to thoroughly evaluate the integrity management practices of its counterparties. To ensure that its standards are upheld, the	No significant difference.

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Company includes provisions in its contract terms requiring compliance with the Company's integrity management policy.	
2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?		V	(2) The Chairman of the Board of Directors serves as the convener in promoting ethical corporate management within the Company, with the Human Resources Department responsible for implementing these initiatives. The progress and operations of these efforts are regularly reported and discussed at the Board of Directors meetings, with the most recent update provided on May 13, 2022.	No responsible units established under the Board of Directors
3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(3) The Company has set up a complaint channel on the Company's website for ethical violations by providing an independent mailbox to report any form of fraud and to maintain confidentiality.	No significant difference.
4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?		V	(4) The Company adheres to a comprehensive accounting and internal control system. The internal audit team creates an annual audit plan, which is reviewed and approved by the Board of Directors. They continuously monitor the implementation of the internal control system and provide regular reports to the Board of Directors to ensure the integrity management policy is being followed. At this time, the audit plan does not include any assessments related to the risk of unethical behavior, as the risk has not been deemed significant based on current assessments.	Under evaluation.

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
5) Does the Company regularly hold internal and external educational trainings on operational integrity?	V		(5) The Company regularly engages its employees in promoting compliance with laws and regulations Employees attend training sessions and participate in awareness campaigns aimed at reinforcing their understanding of and adherence to ethical management practices. These initiatives help employees stay informed of the latest laws and regulations relevant to honest management and further reinforce their commitment to ethical behavior. Please refer to the Company's website/Investor Services/Corporate Governance/Implementation of Ethical Management for information on the implementation of the Company's ethical management practices for directors, managers and employees in 2022.	No significant difference.
3. Operation of the integrity channel 1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(1) The "Procedures for Ethical Management and Guidelines for Conduct" of the Company outlines the reporting procedure in Article 21. The Company has established a channel for reporting ethical violations on its website and provided a separate mailbox for reporting any form of fraudulent behavior. The responsibility for overseeing and implementing these procedures has been delegated to the Human Resources Department.	No significant difference.
2) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-	V		(2) The Company has established a robust process fo handling ethical violations reported through its designated channels. The report acceptance,	No significant difference.

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
investigation confidentiality measures?			investigation process, and the results are documented and preserved for a minimum of fiv years. In case of a lawsuit related to the reported content, the relevant information will be retained until the conclusion of the lawsuit. The preservation of this information is done through electronic means for ease of access and security.	
3) Does the Company provide proper whistleblower protection?	V		(3) Total number of external reports received in 2022: 0 Total number of internal whistleblowing cases in 2022: 0 The Company takes the confidentiality of whistleblowers and the information they report seriously. Employees handling whistleblowing cases are required to sign a written declaration that they will maintain the confidentiality of the whistleblower's identity and the contents of the report. The Company is committed to protecting whistleblowers from any adverse treatment as a result of their report.	No significant difference.
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	V		The Company has disclosed the "Ethical Corporate Management Best Practice" and the effectiveness of its promotion on the Market Observation Post System. Please refer to the Company's website/Investor Services/Corporate Governance/Implementation of Ethical Corporate Management for information on the implementation of the Company's 2021 Code of Conduct for directors, officers and employees.	No significant difference.

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: No significant difference.				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management policies: (e.g., if the Company reviews the amendments to its Ethical Corporate Management Best Practice): No significant difference.				

(7) Corporate Governance Guidelines and Regulations:

Company website: http://www.saa-symtek.com

Access: Investor Services/Corporate Governance/Corporate Governance Related Regulations

Market Observation Post System: http://mops.twse.com.tw/

Access: Corporate Governance/Corporate Governance Structure/Organizational structure (including the basic information of the board of directors)/Market:/Listed Companies/Company code 6438

(8) Other significant information to enhance understanding of corporate governance operations:

1. Training for directors, independent directors, and corporate governance officers.
Please refer to (3), Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons, and (4) Corporate Governance Officers (Note 2). 2021 Corporate Governance Officers' Education Status. "(8) 5. Directors' continuing education" (Note 4) Directors' and independent directors' continuing education.

2. Disclosure of the number of hours of training for chief accounting officers and internal auditors

Title	Name	Date of Appointment	Course Duration	Organizer	Course Name	Total Hours
Chief Accounting Officer	Qiu, Qing-Xiang	2019.03.07	2022.07.28 ~07.29	Accounting Research and Development Foundation	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges (Accounting: 3 hours, Ethics & Legal Responsibility: 3 hours, Auditing: 3 hours, Corporate Governance: 3 hours)	12 hours
Agent for Chief Accounting Officer	Wu, Xiao-Hong	2019.08.16	2022.09.12	Accounting Research and Development Foundation	Common deficiencies, preparation process and practices of "self-prepared financial reports" of enterprises	6 hours
			2022.11.30		The latest "self-prepared financial" related policy development and internal control management practices	6 hours
Chief Auditing Officer	Zhao, Ren-Feng	2021.11.09 (Note*)	2022.06.23	The Institute of Internal Auditors	Practical study of "data security" and "cloud security" auditing	6 hours
			2022.09.15		Manufacturing material system auditing practices	6 hours
Agent for Chief Auditing Officer	Tang, Zi-Ying	2017.04.28	2022.11.02	Accounting Research and Development Foundation	Corporate governance and financial reporting risk assessment for internal auditors	6 hours
			2022.11.08		"Information Security" and "Information Framework" audit and control practices	6 hours

Note* Mr. Zhao, Ren-Feng, who assumed the role of Head of Audit on November 9, 2021, has acquired the following professional certifications to enhance his ability to support the Board of Directors in conducting internal control operations.

(1) Certified Internal Auditor (CIA)

(2) Certification in Control Self-Assessment (CCSA)

(3) TIPS Taiwan Intellectual Property Management System Self-Assessor

(9) Implementation status of internal control system

1. Statement of Internal Control: Please refer to page 82.

2. If an accountant is engaged to assess the internal control system, the results of their review must be made public through the issuance of a review report: Not applicable.

Symtek Automation Asia Co., Ltd

Statement of Internal Control System

Date: Feburary 24, 2023

The self-assessment of the Company's internal control system for fiscal year 2022 reveals the following findings:

1. The board of directors and the managerial officers understand their obligation to establish, implement, and maintain an internal control system within the Company. This system is designed to ensure the efficacy and efficiency of operations, including the ability to generate profit, attain performance targets, protect assets, produce reliable financial reports in a timely manner, promote transparency, and comply with all applicable regulations and laws.
2. It's important to note that even the most well-designed internal control system can only provide a reasonable level of assurance that the three objectives mentioned are met. The effectiveness of the system may fluctuate as conditions change. The Company's internal control system has a built-in self-assessment mechanism and in case any weaknesses are identified, corrective measures will be promptly taken.
3. The Company evaluates the design and implementation of its internal control system based on the criteria for determining the effectiveness of internal control systems outlined in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as the “Regulations”). These criteria are divided into five components: the control environment, risk assessment, control activities, information and communication, and monitoring activities. Each component encompasses a number of specific items, which can be found in the “Regulations.
4. The Company has employed the criteria for determining the effectiveness of internal control systems, as outlined above, to assess the design and implementation of its internal control system.
5. The evaluation results suggest that the design and implementation of the internal control system, including the oversight of subsidiaries, as of December 31, 2022 is effective. The system provides a reasonable level of assurance that operational goals have been met, financial reporting is reliable, timely, transparent, and compliant with relevant regulations and laws. The Company therefore believes that its internal control system is effective in achieving its stated objectives.
6. This statement will be featured prominently in the Company's annual report and public disclosures. If any information contained in this statement is deliberately misrepresented or concealed, the Company could face legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

7. This statement was approved by the board of directors during the meeting held on Feburaay 24, 2023. Of the seven directors present, none were in opposition.

Symtek Automation Asia Co., Ltd

Chairman: Kuan, Chin-Kun (Signature/Seal)

General Manager: Wang, Nien-Ching (Signature/Seal)

(10) For the most recent year and as of the publication date of the annual report, if the Company and its internal personnel have been punished by law, or if the Company has punished its internal personnel for violating the provisions of the internal control system, and the result of the punishment may have a significant impact on the shareholders' equity or the price of securities, the content of the punishment, the major deficiencies and improvements should be listed. (None)

(11) Significant resolutions of the shareholders' meeting and board of directors' meeting for the most recent year and up to the date of publication of the annual report

Significant Resolutions and Implementations for the 2022 Annual General Meeting of Shareholders

Adoptions and Discussions	Resolution	Implementation
1. Operating Report and Financial Statements for Year 2021.	The case was passed with a vote in accordance with the original proposal.	Announced in accordance with the resolution of the shareholders' meeting held on May 27, 2022
2. Distribution of earnings for year 2021.		June 11, 2022 was set as the base date for distribution, and the distribution was completed on July 1, 2022 in accordance with the resolution of the board of directors. (Cash dividends of NT$6.30212374 per share)

Significant resolutions of the most recent annual board meeting

Date	Proposals	Results of Resolutions	Handling of Directors' Opinions
110/3/5 (The 8th Board of Directors The 15th Meeting)	Proposal 1: Compensation to Directors and Employees for Year 2020. Proposal 2: Operating Report and Financial Statements for Year 2020. Proposal 3: Distribution of Earnings for Year 2020. Proposal 4: Statement of Internal Control System for Year 2020. Proposal 5: Amendment to the Company's "Regulations Governing the Internal Control System and Related Matters". Proposal 6: Amendment to the "Health Check Subsidy for Senior Executives". Proposal 7: Proposed amendments to certain provisions of the Company's Articles of Incorporation. Proposal 8: To establish the "capital increase base date" for the first domestic convertible bonds issued by the Company in 2019 and the conversion of new shares in the first quarter of 2021. Proposal 9: The actual spending amount of the endorsement and guarantee amount of CNY 100,000 thousand by the Company to its sub-subsidiary, Symtek Automation China Co., Ltd. ("SAC") Proposal 10: The actual spending amount of the endorsement and guarantee amount of CNY 40,000 thousand by the Company's subsidiary, Symtek Automation Co., Ltd. ("SAB"), to its sub-subsidiary, Symtek Automation China Co., Ltd. ("SAC") Proposal 11: The Company's sub-subsidiary, Symtek Automation China Co., Ltd. ("SAC"), entered into an exclusive distributorship agreement with Protek Technology Limited ("Protek Technology") and its subsidiary, Dongguan Protek Machinery Limited ("Dongguan Protek"). Proposal 12: Renewal of the Company's contract with its correspondent bank for 2021 and application for additional credit line. Proposal 13: Matters related to the convening of the Company's 2021 Annual General Meeting of Shareholders.	Approved by all directors present with no objection. Proposal 9, 10 and 11: Directors Wang, Nien-Ching and Guan, Tian-Yu shall recuse themselves from the discussion and voting. Approved without objection by the remaining directors present.	None
110/4/15 (The 8th Board of Directors The 16th	Proposal 1: Amendment to the "Procedures for the Application for Suspension and Resumption of Trading" of the Company. Proposal 2: The Company intends to enter into a strategic partnership to acquire shares of SynPower Co.,	Approved by all directors present with no objection.	None

Meeting)	Ltd. by issuing new shares through capital increase. Proposal 3: The Company intends to issue new shares through private placement of cash capital increase. Proposal 4: The Company intends to apply for an expansion of the total investment and registered capital of its ultimate sub-subsidiary, Symtek Automation China Co., Ltd ("SAC"). Proposal 5: Matters related to the convening of the Company's 2021 Annual General Meeting of Shareholders.		
110/5/7 (The 8th Board of Directors The 17th Meeting)	Proposal 1: The Company changed its CPA in accordance with Deloitte & Touche's internal transfer of duties. Proposal 2: The evaluation and appointment of the independence and suitability of the Company's CPAs. Proposal 3: The Company's Consolidated Financial Statements for the first quarter of fiscal 2021.	Approved by all directors present with no objection.	None
110/5/31 (The 8th Board of Directors The 18th Meeting)	Proposal 1: To set the ex-dividend date and distribution date of the Company's 2020 cash dividends, and the conversion period of the convertible bonds. Proposal 2: To set the "capital increase base date" for the Company's first domestic convertible bonds issued in 2019 to be executed in the second quarter of 2021. Proposal 3: Resolution to postpone the date and venue of the 2021 Annual General Meeting of Shareholders.	Approved by all directors present with no objection.	None
110/8/11 (The 8th Board of Directors The 19th Meeting)	Proposal 1: Adoption of the Company's Consolidated Financial Statements for the second quarter of fiscal 2021. Proposal 2: To set the "capital increase base date" for the Company's first domestic convertible bonds issued in 2019 to be executed in the second quarter of 2021. Proposal 3: Proposal for the issuance of common stock in the first private placement of cash capital increase in 2021. Proposal 4: Amendment to the "Operation Directions for Compliance with the Establishment of Board of Directors and the Board's Exercise of Powers" of the Company. Proposal 5: Proposal for the appointment of new senior executives of the Company's subsidiary, Symtek Automation China Co., Ltd ("SAC") in order to strengthen the management function. Proposal 6: Review of the Company's 2020 Managerial Officers Performance Bonus. Proposal 7: Proposal for the adjustment of compensation to	Approved by all directors present with no objection. Proposal 6 and 7: Director Wang, Nien-Ching shall recuse themselves from the discussion and voting. Approved without objection by the remaining directors present.	None

	senior executives, directors and supervisors of Symtek Automation China Co., Ltd (“SAC”) to strengthen the management function.		
110/10/12 (The 8th Board of Directors The 20th Meeting)	Proposal 1: Proposal for the acquisition of real estate by the Company. Proposal 2: Proposal on the application to Shin Kong Bank for a new credit line of NT$100 million.	Approved by all directors present with no objection.	None
110/11/9 (The 8th Board of Directors The 21st Meeting)	Proposal 1: Adoption of the Company's Consolidated Financial Statements for the third quarter of fiscal 2021. Proposal 2: To establish the “capital increase base date” for the first domestic convertible bonds issued by the Company in 2019 and the conversion of new shares in the fourth quarter of 2021. Proposal 3: Proposal to announce the annual audit plan for 2022. Proposal 4: Proposal to approve the investment of the Company's sub-subsidiary, Symtek Automation China Co., Ltd (“SAC”), in Jiangsu Xunlianke High-Tech Co., Ltd. Proposal 5: Proposal of appointment of new personnel to strengthen the management function. Proposal 6: Review and resolution of the Company's 2022 annual budget.	Approved by all directors present with no objection.	None
110/12/8 (The 8th Board of Directors The 22nd Meeting)	Proposal 1: Review of the policies, standards and structure of the compensation to directors and managerial officers of the Company for year 2021. Proposal 2: Review of the year-end bonus for managerial officers of the Company for year 2021. Proposal 3: Amendment to the Company's “Regulations Governing the Internal Control System and Related Matters”. Proposal 4: Review and resolution of the Company's annual operating plan for 2022.	Proposal 2: Director Wang, Nien-Ching shall recuse themselves from the discussion and voting. The rest of the proposals were approved by the directors present without any objection.	None
111/2/25 (The 8th Board of Directors The 23rd Meeting)	Proposal 1: Annual operating report and financial statements for 2021. Proposal 2: Proposal to approve a CNY 30 million investment by Symtek Automation China Co., Ltd. (“SAC”), a subsidiary of the Company, in Jiangsu Xunlianke High-Tech Co., Ltd.	Proposal 2: Director Wang, Nien-Ching shall recuse themselves from the discussion and voting. The rest of the proposals were approved by the directors present without any	None

		objection.	
111/3/8 (The 8th Board of Directors The 24th Meeting)	Proposal 1: Compensation to directors and employees for year 2021. Proposal 2: Distribution of earnings for year 2021. Proposal 3: To set the “capital increase base date” for the Company's first domestic convertible bonds issued in 2019 to be executed in the first quarter of 2022. The private placement of securities approved at the 2021 shareholders' meeting will not proceed for the remaining duration. Proposal 5: Statement of Internal Control System for year 2021. Proposal 6: Amendment to the Company's “Regulations Governing the Internal Control System and Related Matters”. Proposal 7: The actual spending amount of the endorsement and guarantee amount of CNY 40,000 thousand by the Company to its sub-subsidiary, Symtek Automation China Co., Ltd. (“SAC”) Proposal 8: The actual spending amount of the endorsement and guarantee amount of CNY 17,000 thousand by the Company's subsidiary, Symtek Automation Co., Ltd. (“SAB”), to its sub-subsidiary, Symtek Automation China Co., Ltd. (“SAC”) Proposal 9: Renewal of the Company's contract with its correspondent bank for 2022 and application for additional credit line. Proposal 10: Full re-election of directors (including independent directors). Proposal 11: Nomination of candidates for the ninth term board of directors and independent directors. Proposal 12: Release of new directors and their representatives from the restriction of competition. Proposal 13: Matters related to the convening of the Company's 2022 Annual General Meeting of Shareholders.	Proposal 7 and 8: Director Wang, Nien-Ching shall recuse themselves from the discussion and voting. The rest of the proposals were approved by the directors present without any objection.	None

(12) Directors or supervisors who disagreed with important resolutions passed by the board of directors in the most recent year and as of the date of the annual report, and for which there are records or written statements: None.

(13) The resignation and dismissal of the Chairman, General Manager, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, Chief Corporate Governance Officer and Chief Research and Development Officer of the Company in the most recent year and as of the date of publication of the annual report: None.

4. Information on professional fees

Accounting Firm	CPA	Auditing Period	Audit Fees	Non-audit Fees	Total	Remarks
Deloitte & Touche	Chuang, Wen-Yuan Yang, Ching-Chen	2022/01~2022/12	4,200	735	4,935	The non-audit fees are commercial and industrial registrations

Note 1: If the Company changes its CPA or accounting firm during the year, please list the period of audit and the reasons for the change in the remarks column, and disclose the information of audit and non-audit fees paid in order.

Note 2: Non-audit fees shall be listed separately by services. If "Other" of non-audit fees reaches 25% of the total non-audit fees, the services shall be listed in the Remarks column.

(1) If the non-audit fees paid to the CPA, the accounting firm to which the CPA belongs, and their affiliated enterprises exceed 25% of the audit fees, the amount of audit and non-audit fees and the content of non-audit services shall be disclosed: (Not applicable)

(2) If the audit fees paid in the year of change of accounting firm are less than the audit fees paid in the year before the change, the amount of audit fees before and after the change and the reasons for the change shall be disclosed: (Not applicable).

(3) If the audit fees are reduced by 10% or more from the previous year, the amount, percentage and reasons for the reduction shall be disclosed: (Not applicable).

5. Information on change in CPA:

(1) Information about predecessor CPAs

Replacement date	Approved by the board of directors on May 7, 2021		
Reason for replacement and explanation	In accordance with the relevant laws and regulations, and in accordance with the internal transfer of duties of Deloitte & Touche, the CPA will be changed from Yang, Ching-Ting to Chuang, Wen-Yuan with effect from the first quarter of 2021, and the leading CPA will continue to be Yang, Ching-Chen.		
To state whether the appointment was terminated or not accepted by the mandator or CPA	Concerned parties / Situation	CPA	Mandator
	Appointment terminated	N/A	N/A
	Appointment discontinued	N/A	N/A
Opinions on audit reports other than unqualified opinions issued within the last two years and the reasons therefor	None		
If there is any disagreement with the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Scope or procedure of audit
			Other
	No	V	
	Description		
Other disclosures (those required to be disclosed under Article 10, Subparagraph 6, Item 1-4 to Item 1-7 of this Standard)	None		

(2) Information about successor CPAs

Accounting firm	Deloitte & Touche
Name of CPAs	Chuang, Wen-Yuan & Yang, Ching-Chen
Date of appointment	Approved by the board of directors on May 5, 2021

Consultation on the accounting treatment or accounting principles for specific transactions and on the possible issuance of financial statements prior to the appointment and the results of such consultation	None
Written opinion of the successor CPAs on matters in which the predecessor CPAs had different opinions	None

(3) Reply letter from the former accountant regarding Article 10, Subparagraph 6, Item 1 and Item 2-3 of this Standard: None

6. The chairman, General Manager, or managerial officers in charge of financial or accounting matters of the Company, who has worked in the firm of the certified public accountants or their affiliated enterprises within the last year (none)

7. Changes in the transfer of pledge of shares of directors, supervisors, managerial officers and shareholders holding more than 10% of the outstanding shares in the most recent year and up to the date of book closure

(1) Changes in the transfer of pledge of shares of directors, supervisors, managerial officers and shareholders holding more than 10% of the outstanding shares

Base date: April 2, 2023; Unit: Shares

Title	Name	2022		As of April 2	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Chairman	Kuan, Chin-Kun	(21,000)	0	0	0
Director	Wang, Nien-Ching	0	0	0	0
Director	ROYAL MAX HOLDINGS LIMITED	0	0	(80,000)	0
Director	Guan, Tian-Yu	0	0	0	0
Director	Gudeng Precision Industries Co., LTD.	0	0	0	0
Director	Qiu, Ming-Qian	0	0	0	0
Director	Tan, Ming-Zhu	0	0	0	0
Director	Qu, Rong-Fu	0	0	0	0
Independent Director	Jian, Rong-Kun	0	0	0	0

Title	Name	2022		As of April 2	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Independent Director	He, Jian-De	0	0	0	0
Independent Director	Liu, Zhi-Hong	0	0	0	0
Managerial Officer	Lin, Zhao-De	(16,000)	0	0	0
Managerial Officer	Huang, Ping-Yao	(9,000)	0	0	0
Managerial Officer	Liang, Zhong-Cheng	0	0	0	0
Managerial Officer	Huang, Fa-Bao	0	0	0	0
Managerial Officer	Qiu, Qing-Xiang	0	0	0	0
Managerial Officer	Lu, Wen-Bin	0	0	0	0

(2) If the counter party of transfer of shares of directors, supervisors, managerial officers and shareholders holding 10% or more of the outstanding shares is a related person: None

Share Transfer Information

Unit: Shares

Name (Note 1)	Reason for the transfer of shares (Note 2)	Date of transaction	Counterparty	Relationship between the counterparty and the Company, directors, supervisors and shareholders holding more than 10% of the outstanding shares	Number of shares	Transaction price
-	-	-	-	-	-	-

Note 1: The names of directors, supervisors, managerial officers, and shareholders holding more than 10% of the outstanding shares of the Company.
Note 2: Acquisition or disposal.

(3) If the counter party of transfer or pledge of shares is a related person among directors, supervisors, managerial officers and shareholders holding 10% or more of the outstanding shares: None

8. Relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another

April 2, 2023; Unit: Shares

Name (Note 1)	Shares held by the shareholder		Shares held by spouse and minor children		Shares held in the names of others		If among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another. (Note 3)		Remark
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	Relation	
ROYAL MAX HOLDINGS LIMITED	4,081,270	5.71%	0	0.00%	0	0.00%	-	-	
Representative: Guan, Tian-Yu	0	0%	0	0.00%	0	0.00%	-	-	
Gudeng Precision Industrial Co., Ltd.	4,000,000	5.60%	0	0.00%	0	0.00%	-	-	
Representative: Qiu, Ming-Qian	0	0%	0	0.00%	0	0.00%	-	-	
Yuan Rong Investment Limited	1,512,000	2.12%	0	0.00%	0	0.00%	-	-	
Representative: Zhaung, Ming-Lang	0	0%	0	0.00%	0	0.00%	-	-	
Su-li Investment Co., Ltd.	1,491,577	2.09%	0	0.00%	0	0.00%	-	-	
Representative: Huang, Nai-Wei	140,000	0.20%	0	0.00%	0	0.00%	-	-	
Gudeng Investment Inc.	1,403,000	1.96%	0	0.00%	0	0.00%	-	-	
Representative: Lin, Tian-Ray	0	0%	0	0.00%	0	0.00%	-	-	
SynPower Co., Ltd.	1,227,000	1.72%	0	0.00%	0	0.00%	-	-	
Representative: Lin, Wen-Bing	0	0%	0	0.00%	0	0.00%			
The Symtek Automation Employee Stock Ownership	1,110,274	1.55%	0	0.00%	0	0.00%	-	-	

Name (Note 1)	Shares held by the shareholder		Shares held by spouse and minor children		Shares held in the names of others		If among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another. (Note 3)		Remark
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	Relation	
Trust Account entrusted to Taishin International Commercial Bank									
Representative: Wang, Nien-Ching	1,052,691	1.47%	21,467	0.03%	0	0.00%			
Wang, Nien-Ching	1,052,691	1.47%	21,467	0.03%	0	0.00%	-	-	
The Symtek Automation Employee Stock Ownership Trust Account entrusted to Taishin International Commercial Bank	1,049,479	1.47%	0	0.00%	0	0.00%	-	-	
Representative: Wang, Nien-Ching	1,052,691	1.47%	21,467	0.03%	0	0.00%			
Wang, Xiang-Yu	941,637	1.32%	0	0.00%	0	0.00%	-	-	

Note 1: The top ten shareholders should be listed, with corporate shareholders and their representative names listed separately.

Note 2: The shareholding ratio calculation takes into account the shareholder, their spouse, and minor children, or any other person used to calculate the ratio.

Note 3: The shareholders listed above include both juristic and natural persons, and the relationship between them should be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

9. The shareholdings of the Company, its directors, supervisors, managerial officers, and any businesses that the Company directly or indirectly controls in the same reinvestment venture shall be combined and expressed as a percentage of the consolidated holdings

March 31, 2023: Unit: Shares; %

Investees (Note)	Investments by the Company		Investments by directors, supervisors, managerial officers and persons directly investing in or indirectly controlling the business		Consolidated investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Symtek Automation Ltd.	21,631,842	100%	—	—	21,631,842	100%
Symtek Automation China Co., Ltd.	0	100%	—	—	0	100%

Note: Investments by the Company using the equity method.

IV. Capital Overview

1. Capital and Share

(1). Shares

1. Types of shares

Base date: April 2, 2023; Unit: Shares

Types of shares	Authorized share capital			Remark
	Shares outstanding	Unissued shares	Total	
Common shares	71,431,711	28,568,289	100,000,000	Listed shares

2. Information about self registrationm: Not applicable.

3. History of share capital

Unit: Shares/NT$

Year & month	Issue price (par value per share)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of capital	Use of property other than cash to offset stock dividends	Other
1999.10	10	10,000,000	100,000,000	10,000,000	100,000,000	Established	None	88.10.28 Jing-Ba-Ba-Shang-Hao No. 139472
2001.07	10	12,500,000	125,000,000	12,500,000	125,000,000	Cash capital increase of NT$25,000,000	None	90.08.29 Jing-(090)-Shang No. 09001342750
2001.07	10	15,000,000	150,000,000	15,000,000	150,000,000	Capital increase through capitalization of retained earnings of NT$25,000,000	None	90.08.29 Jing-(090)-Shang No. 09001342750
2003.12	10	15,100,000	151,000,000	15,100,000	151,000,000	Cash capital increase of NT$1,000,000	None	92.12.17 Jing-Shou-Zhong-Zi No. 09233125780
2004.07	10	18,000,000	180,000,000	18,000,000	180,000,000	Capital increase through capitalization of retained earnings of NT$29,000,000	None	93.08.12 Jing-Shou-Zhong-Zi No. 09332562410
2005.11	10	18,020,000	180,200,000	18,020,000	180,200,000	Cash capital increase of NT$200,000	None	94.12.14 Jing-Shou-Zhong-Zi No. 09433351470

Year & month	Issue price (par value per share)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of capital	Use of property other than cash to offset stock dividends	Other
2006.02	10	23,000,000	230,000,000	23,000,000	230,000,000	Cash capital increase of NT$49,800,000	None	95.04.17 Jing-Shou-Zhong-Zi No. 09532017390
2006.06	10	30,000,000	300,000,000	30,000,000	300,000,000	Capital increase through capitalization of retained earnings of NT$70,000,000	None	95.08.15 Jing-Shou-Zhong-Zi No. 09532663490
2007.06	10	40,000,000	400,000,000	40,000,000	400,000,000	Capital increase through capitalization of retained earnings of NT$100,000,000	None	96.08.23 Jing-Shou-Zhong-Zi No. 09632655140
2009.06	10	44,000,000	440,000,000	44,000,000	440,000,000	Capital increase through capitalization of retained earnings of NT$40,000,000	None	98.08.03 Jing-Shou-Zhong-Zi No. 09832777780
2013.09	10	80,000,000	800,000,000	44,000,000	440,000,000	—	None	102.09.18 Jing-Shou-Zhong-Zi No. 10233900390
2015.08	10	80,000,000	800,000,000	46,200,000	462,000,000	Capital increase through capitalization of retained earnings of NT$22,000,000	None	104.8.10 Jing-Shou-Zhong-Zi No. 10433626720
2017.04	10	80,000,000	800,000,000	52,800,000	528,000,000	Cash capital increase of NT$66,000,000 through first-time over-the-counter	None	106.5.11 Jing-Shou-Shang-Zi No. 10601061290
2018.02	10	80,000,000	800,000,000	57,800,000	578,000,000	Cash capital increase of NT$50,000,000	None	107.02.06 Jing-Shou-Shang-Zi No. 10701013830
2020.03	10	80,000,000	800,000,000	60,300,000	603,000,000	Cash capital increase of NT$25,000,000	None	108.03.06 Jing-Shou-Shang-Zi No. 10901030780

Year & month	Issue price (par value per share)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of capital	Use of property other than cash to offset stock dividends	Other
2021.03	10	80,000,000	800,000,000	60,590,365	605,903,650	Convertible bonds to shares of NT$2,903,650	None	110.04.07 Jing-Shou-Shang-Zi No. 11001048320
2021.06	10	80,000,000	800,000,000	61,817,365	618,173,650	Transferred shares of NT12,270,000	None	110.06.23 Jing-Shou-Shang-Zi No. 11001095320
2021.06	10	80,000,000	800,000,000	62,345,680	623,456,800	Convertible bonds to shares of NT$5,283,150	None	110.06.24 Jing-Shou-Shang-Zi No. 11001100380
2021.08	10	100,000,000	1,000,000,000	63,539,943	635,399,430	Convertible bonds to shares of NT$11,942,630	None	110.08.30 Jing-Shou-Shang-Zi No. 11001151460
2021.09	10	100,000,000	1,000,000,000	67,539,943	675,399,430	Private placement shares of NT$40,000,000	None	110.09.13 Jing-Shou-Shang-Zi No. 11001161580
2021.12	10	100,000,000	1,000,000,000	69,257,151	692,571,510	Convertible bonds to shares of NT$17,172,080	None	110.12.06 Jing-Shou-Shang-Zi No. 11001213430
2022.03	10	100,000,000	1,000,000,000	71,075,007	710,750,070	Convertible bonds to shares of NT$18,178,560	None	111.03.18 Jing-Shou-Shang-Zi No. 11101045340
2022.05	10	100,000,000	1,000,000,000	71,431,711	714,317,110	Convertible bonds to shares of NT$3,567,040	None	111.05.30 Jing-Shou-Shang-Zi No. 11101086670

4. Private placement of common shares for the last three years and up to the date of publication of the prospectus:

Private placement of securities for the year 2021

Item	Issue date (delivery date): October 4, 2021
Type of private placement securities	Ordinary shares
Date of approval and amount approved at shareholders'	Date of approval at shareholders' meeting: July 15, 2021 Quota: Within 6,000,000 shares

<table>
<tr><td>meeting</td><td colspan="5"></td></tr>
<tr><td>The basis and rationale for the setting of the price</td><td colspan="5">The price determination date is August 11, 2021. The simple average closing price of the common shares for either 1, 3 or 5 business days prior to the price determination date is $122.00, $118.17 and $116.75, respectively, and the average closing price of $118.17 for the 3 days prior to the price determination date is used as the basis. The average closing price of the common shares for 30 days prior to the price determination date is also used as the basis, and the higher of the two is used to determine the closing price.
Therefore, the average closing price of $118.17 for the 3 days prior to the price determination date was used as the reference price for the private placement. In consideration of the impact on shareholders' equity, the actual issue price of the private placement was set at NT$95.00, which is 80.39% of the reference price and not less than 80% of the reference price as resolved at the shareholders' meeting.</td></tr>
<tr><td>The means of selecting the specified persons</td><td colspan="5">In accordance with Article 43-6 of the Securities and Exchange Act, the selection of specific persons is limited to strategic investors.</td></tr>
<tr><td>The reasons necessitating the private placement.</td><td colspan="5">The private placement is a swift and convenient method for attracting strategic investors, and the restriction on share transfer during the placement enhances the likelihood of a long-term relationship between the Company and these investors. Allowing the board of directors to conduct private placements as needed increases the Company's ability to quickly raise capital and improves its operational flexibility.</td></tr>
<tr><td>Date of completion of payment</td><td colspan="5">August 25, 2021</td></tr>
<tr><td rowspan="2">Information on placees</td><td>Private placement target</td><td>Eligibility criteria</td><td>Number of subscriptions</td><td>Relationship with the Company</td><td>Participation in the Company's operation</td></tr>
<tr><td>Gudeng Precision Industrial Co., Ltd.</td><td>Compliance with Article 43-6 of the Securities and Exchange Act</td><td>4,000,000 shares</td><td>Supplier</td><td>Juristic person director</td></tr>
<tr><td>Actual subscription price</td><td colspan="5">$95.00 per share</td></tr>
<tr><td>Difference between the actual subscription price and the reference price</td><td colspan="5">The actual subscription price is 80.39% of the reference price of $118.17</td></tr>
<tr><td>Effect of private placement on shareholders' equity</td><td colspan="5">The private placement involves a single juristic person acquiring 4 million shares, equivalent to 5.6% of the Company's current outstanding total of 71.4 million shares. The strategic investor is expected to secure a seat on the board of directors, subject to no significant changes in management. This investment is expected to benefit the Company through the investor's experience, technology, knowledge, and patents, as well as through increased profitability and market</td></tr>
</table>

	growth via vertical and horizontal integration or joint market development. These actions should reduce costs, improve efficiency, enhance market competitiveness, and reduce operational risks, leading to a positive impact on shareholder equity in the long term.
Use of private placement funds and progress of plan implementation	The funds raised through the private placement, totaling NT$380,000, were utilized to acquire land for plant expansion, repay loans, and address working capital requirements. As of December 10, 2021, the private placement has been fully completed.
Performance of the private placement	To address the Company's development capital requirements, the Company is enhancing its competitiveness, lowering operating expenses, investing in new product development, and improving operational efficiency.

(2). Shareholder structure

Base date: April 2, 2023

Shareholder structure / Number	Government institutions	Financial institutions	Other juristic persons	Individuals	Foreign institutions and foreigners	Total
Number of shareholders (persons)	0	15	201	23,225	53	23,494
Number of shares held (shares)	0	3,174,512	13,078,457	45,381,918	9,796,824	71,431,711
Shareholding ratio	0.00%	4.44%	18.31%	63.54%	13.71%	100.00%

(3). Diversification of shareholding

Unit: Persons/Shares; Base date: April 2, 2023

Shareholding classification	Number of shareholders (persons)	Number of shares held (shares)	Shareholding ratio
1~999	15,637	301,505	0.42%
1,000~5,000	6,479	11,792,876	16.51%
5,001~10,000	662	5,168,124	7.24%
10,001~ 15,000	215	2,731,888	3.82%
15,001~ 20,000	120	2,176,979	3.05%
20,001~ 30,000	113	2,876,776	4.03%
30,001~ 40,000	55	1,953,350	2.73%
40,001~ 50,000	45	2,078,621	2.91%
50,001~ 100,000	84	5,936,615	8.31%
100,001~200,000	46	6,234,773	8.73%
200,001~400,000	17	4,763,370	6.67%
400,001~600,000	3	1,490,149	2.09%
600,001~800,000	5	3,472,323	4.86%
800,001~1,000,000	4	3,527,071	4.94%
1,000,001 or more	9	16,927,291	23.70%
Total	23,494	71,431,711	100.00%

(4). List of major shareholders:

1. Shareholders who own over 5% of the total shares or the top 10 largest shareholders in terms of ownership percentage.

Unit: Shares; Base date:April 2, 2023

Share / Name of Major Shareholders	Number of shares held	Shareholding ratio
ROYAL MAX HOLDINGS LIMITED	4,081,270	5.71%
Gudeng Precision Industrial Co., Ltd.	4,000,000	5.60%
Yuan Rong Investment Co., Ltd.	1,512,000	2.12%
Su-li Investment Co., Ltd.	1,491,577	2.09%
Gudeng Investment Co., Ltd.	1,403,000	1.96%
SynPower Co., Ltd.	1,227,000	1.72%
The Symtek Automation Employee Stock Ownership Trust Account entrusted to Taishin International Commercial Bank	1,110,274	1.55%
Wang, Nien-Ching	1,052,691	1.47%
The Symtek Automation Employee Stock Ownership Trust Account entrusted to Taishin International Commercial Bank	1,049,479	1.47%
Wang, Xiang-Yu	941,637	1.32%
Total	17,868,928	25.01%

(5). Stock price, net value, earnings, dividends per share and related information for the last two years

Unit: NT$/thousand shares

Item/Year			2021	2022	As of May 8, 2023
Stock price per share[Note 1]	Highest		129	134.5	107
	Lowest		79	73	84.9
	Average		102.76	99.23	104.03
Net value per share[2]	Before distribution		47.45	51.68	46.6
	After distribution		40.95	45.68	NA
Earnings per share	Weighted average number of shares		64,188	71,432	—
	Earnings per share[3]	Before adjustment	10.15	9.41	2.21
		After adjustment	—	—	—
Dividend per share	Cash dividend		6.5	6	N/A
	Bonus shares	Stock dividend from retained earnings	—	—	N/A
		Stock dividend from capital reserve	—	—	N/A
	Accumulated unpaid dividends[Note 4]		—	—	N/A

Investment return analysis	Price-to-earnings ratio[Note 5]	10.12	10.55	N/A
	Price-to-dividend ratio[Note 6]	15.81	16.54	N/A
	Cash dividend yield %[Note 7]	6.33	6.05	N/A

*In the event of a capital distribution from earnings or capital surplus, information on the market price and cash dividends adjusted retroactively for the number of shares issued shall also be disclosed.

Note 1: The highest and lowest market prices of common stock for each year are listed, and the average market price for each year is calculated based on the transaction value and volume of each year.

Note 2: Please use the number of shares outstanding at the end of the year as basis and update the information based on the resolution resolved at the shareholders' meeting of the following year.

Note 3: In the case of retroactive adjustments resulting from the issuance of bonus shares, both the adjusted and unadjusted earnings per share shall be displayed.

Note 4: If the terms of issuing equity securities allow for the deferral of current year dividends to a later earning period, the current year's outstanding, unpaid dividends should be separately disclosed.

Note 5: Price-to-earnings ratio = average closing price per share/earnings per share for the year.

Note 6: Price-to-dividend ratio = average closing price per share/cash dividends per share for the year.

Note 7: Cash dividend yield rate = cash dividends per share/average closing price per share for the year.

Note 8: The net value per share and earnings per share shall be presented with information audited (reviewed) by the CPA for the most recent quarter ended on the publication date of the annual report; the rest of the columns shall be presented with information for the current year ended on the publication date of the annual report.

(6). Dividend policy and implementation status

1. Dividend policy

If there is any surplus in the Company's annual financial statements, 10% of such surplus shall be set aside as legal reserve after paying taxes and making up for accumulated deficits in accordance with the law, provided that if the legal reserve has reached the amount of the Company's paid-in capital, no further amount shall be set aside, and the remainder shall be set aside or reversed to a special reserve in accordance with the law. If there is any undistributed earnings, the board of directors shall prepare a proposal for the distribution of earnings and submit it to the shareholders' meeting for a resolution to distribute dividends to shareholders.

The Company's dividend policy is to distribute no less than 10% of distributable earnings to shareholders annually, considering factors such as future and current development plans, investment environment, capital needs, competition, and shareholder interests. If the accumulated distributable earnings are less than 5% of the paid-in capital, dividends may not be distributed. Dividends may be paid in cash or shares, with cash dividends constituting a minimum of 50% of the total dividends.

2. The proposed dividend distribution for the year at the annual shareholders' meeting is as follows:

Unit: NT$

Undistributed earnings at the beginning of the period	389, 446, 389
Net income for the period	666, 993, 950
Transfer of other comprehensive losses to retained earnings	−1, 500, 000
Distributable earnings	1, 054, 940, 339
Amount set aside for legal reserve (10%)	−66, 549, 395
Reversal of special reserve	13, 538, 004
Distributable earnings for the period	1, 001, 928, 948
Distribution items	
Cash dividends to shareholders (NT$6/share)	428, 590, 266
Undistributed earnings at the end of the period	573, 338, 682

(7). Effect of the proposed issuance of bonus shares on the Company's operating results and earnings per share: Not applicable.

(8). Compensation to employees and directors and supervisors

1. The percentage or scope of compensation to employees and directors and supervisors as stated in the Company's Articles of Incorporation:

   In accordance with the Company's Articles of Incorporation, if the Company makes profits in a year, no less than 1% shall be set aside as employee compensation, which shall be distributed in shares or cash by resolution of the board of directors and shall be paid to employees of the Company who meet certain criteria; the Company may set aside no more than 3% of such profits as compensation to directors and supervisors by resolution of the board of directors. The Company's compensation to employees and directors and supervisors shall be reported to the shareholders' meeting.
   However, if the Company still has accumulated losses, the Company shall reserve the amount to cover the losses in advance and then allocate the compensation to employees and directors and supervisors in accordance with the aforementioned percentages.

2. The basis for estimating the amount of compensation to employees, directors and supervisors, the basis for calculating the number of shares for employee compensation distributed by stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount.:

The Company estimates the amount of compensation to employees and directors and supervisors in accordance with the provisions of ARDF (96) Ji-Mi-Zi No. 052 and classifies the amount of compensation to employees and directors and supervisors as an appropriate accounting item under operating costs or expenses depending on the nature of the compensation. If the actual distribution amount subsequently resolved by the shareholders differs from the estimated amount in the financial statements, the difference is accounted for as a change in accounting estimate and recorded as an adjustment to profit or loss resolved by the shareholders for the year.

3. Distribution of compensation approved by the board of directors

(1) On Feburary 24, 2023, the board of directors approved the proposed distribution of compensation to employees - cash in the amount of NT$33,500,000 and compensation to directors and supervisors - cash in the amount of NT$11,700,000, which did not differ from the recognized estimated amount for the year.

(2) The amount of compensation to employees distributed in stock to income after tax and total compensation to employees: Not applicable.

4. The distribution of compensation reported during the shareholders' meeting: The distribution of compensation to employees, directors, and supervisors for 2022 was approved by the board of directors on Feburary 24, 2023 and shall be presented to the shareholders at the regular meeting on May 31, 2023.

5. The previous year's actual distribution of compensation to employees, directors and supervisors:
The actual distribution of compensation to employee and directors/supervisors in 2021 matched the proposed distribution approved by the board of directors, with cash payments of $58 million and $16 million respectively. There were no variations in the recognized amounts.

(9). Buyback of the Company's shares: The first buyback to employees in 2020 was completed.

2. Status of corporate bonds:

(1) Bonds outstanding and under processing: None; the first unsecured convertible bonds were fully converted as of the publication date of the annual report.

(2) Bonds due within one year: None.

(3) Convertible bonds issued and convertible into common stock, depositary receipts or other marketable securities:

Type of corporate bond		First-time unsecured convertible bond		
Item \ Year		2020	2021	March 16, 2022
Market price of convertible bonds	Highest	132.00	183.00	194.00
	Lowest	102.00	116.50	167.00
	Average	115.85	154.19	173.60
Conversion price		70.6	67.0	67.0
Issue date and conversion price at issuance		Issue date: November 25, 2019 Conversion price at issuance: $72.9; Conversion price adjusted to $67.0 on October 04, 2021		
Performance of conversion obligation		Delivered by issuance of new shares		

Details of Convertible Bonds for New Shares

Item		The first domestic unsecured convertible bonds
Issue date		November 25, 2019
Total amount of issuance		NT$400,000,000
Par value per bond		NT$100,000
Issuance price per bond		NT$100,000
Bond maturity date		November 25, 2022
Date of conversion		From February 26, 2020 to November 25, 2022
Current conversion price		$67.0
Cumulative converted amount	Total par value of bonds	$400,000,000
	Number of shares	5,904,711 shares
Not yet converted	Total par value of bonds	$0
	Number of shares (Note)	0 shares

Note: All conversions have been completed as of March 16, 2022

(4) Issued convertible bonds: None

3. Preferred shares (None)

4. Depositary receipts (None)

5. Employee stock options (None)

6. Restricted stock for employees (None)

7. Merger or acquisition or issue of new shares in connection with the acquisition of shares of another company (None)

8. Financing Plans and Implementation (None)

V. Operational Highlights

I. Business Description

(i) Scope of Business

1. Main contents of business

The Company is dedicated to delivering exceptional automation solutions and is a leader in industrial automation planning, design, research and development, production, installation, and after-sales services. To ensure the highest level of service and expertise for our customers, the Company has divided its operations into three business units, each specializing in specific industry requirements. This structure allows us to provide customers with a professional and prompt service, tailored to their unique needs:

- Electronics Business Unit (EBU)
  Including printed circuit boards, flexible boards, IC carriers and packaging, HDI, ceramic substrates, and other electronic industry automation equipment and turnkey material handling planning and services.
- Photovoltaic Business Unit (PBU)
  Including laser technology application equipment and automation for TFT-LCD, LED, Touch Panel, and light guide panel industries, as well as turnkey material handling, information integration planning, and automatic material handling system (AMHS) planning and services.
- Semiconductor Business Unit (SBU)
  Including smart automation, turnkey material handling, and information integration planning and services for semiconductor, IC packaging and testing, and semiconductor wafer fab industries.
  Including automatic material handling system for wafer fabs, automatic warehousing systems, RGV, AGV systems, mobile robots, and other logistics integration planning and services for automated equipment.

2. Business ratio

Unit: NT$1,000

Main product categories	2021		2022	
	Net operating income	Percentage of sales revenue (%)	Net operating income	Percentage of sales revenue (%)
IBU-Electronics Business Unit (EBU)	3,838,237	78.24	4,448,863	77.21
BBU-Photovoltaic Business Unit (PBU)	364,785	7.44	334,262	5.80
FBU-Semiconductor Business Unit (SBU)	702,598	14.32	978,674	16.99
Total	4,905,620	100.00	5,761,799	100.00

3. The Company's current main products (services)

Industry categories	Important use or function
Electronics Business Unit (EBU)	Including printed circuit boards, flexible boards, IC carriers and packaging, HDI, ceramic substrates, and other electronic industry automation equipment and automatic material handling system (AMHS).
Photovoltaic Business Unit (PBU)	Including automation for TFT-LCD, LED, Touch Panel, and light guide panel industries, as well as turnkey material handling and information integration planning and services.
Semiconductor Business Unit (SBU)	Including automatic material handling system for wafer fabs, automatic warehousing systems, RGV, AGV systems, mobile robots, and other logistics integration planning and services for automated equipment.

4. New products (services) to be developed

A. Various types of intelligent equipment for inspection machines, ovens, vertical lines, etc.

The intelligent mechanism equipment for board factory manpower demand and anti-dullness management to improve the process efficiency of high-end board factory.

B. AMHS system for high-end board factories

Intelligent Mini Stocker, modular storage rack, intelligent logistics system, WMS, ACC software, and integrated development of AMHS for board factories.

C. Industry 4.0 planning service and additional equipment fault prevention and diagnosis technology

In response to the development of smart manufacturing trend, machine health self-testing intelligent function has become a future trend in the smart machinery market. The implantation of different physical signal sensors and analysis software in the machine can provide early warning of machine health information for control, avoid production loss caused by failure, and shorten the downtime caused by equipment failure.

D. Multi-stage long-travel lifting module

Symtek has optimized the function of our own product, ZIP STK, by applying multi-stage long-travel lifting module to build a segmented structure and extended layer

storage structure in limited factory space to increase the flexibility of equipment application and storage capacity.

E. Development of AMHS-related products for semiconductor fabs

Develop various types of mini stockers, standard stockers, logistics systems, and advanced process automation equipment for wafer fabs, and continue to develop products for wafer fabs of all generations.

(ii) Industry Overview

1. Current status and development of the industry

A. Electronics industry

Taiwan is currently facing significant challenges, including a shrinking workforce and increased international competition. As the world moves towards the Fourth Industrial Revolution, it is crucial for Taiwan to focus on promoting domestic industry innovation and transformation, mastering key technologies, maintaining international competitiveness, and providing employment opportunities. These are critical issues that will shape the future development of the country's industries.

The Market Intelligence & Consulting Institute (MIC) has noted ten key technology trends at the MWC19 that are poised to bring about significant changes in the industry. These trends include 5G, smartphones, automobiles, AI, Industry 4.0, consumer electronics, smart cities, smart homes, digital application security, and new state key components. The rapidly expanding 5G smartphone and electric vehicle markets are particularly noteworthy and are providing a boost to Taiwan's manufacturing industry.

To stay ahead in the rapidly evolving and competitive electronics industry, high-end board manufacturers must focus on enhancing the quality and output of complex products. There is a growing need for automated equipment, and the adoption of automated manufacturing and smart factories has become a crucial step forward.

In alignment with the smart machine policy set forth by the Executive Yuan, Symtek is actively pursuing Industry 4.0 intelligent system integration solutions and working with Advantech to offer a comprehensive range of product services, including IoT for equipment, information flow collection and integration, big data analysis, and software management applications. These efforts aim to provide high-end board factories with

the best possible automation solutions. In response to the growing demand for wafers and IC carrier boards, Symtek began expanding its factories in early 2020. This expansion will continue until 2024, and the Company will work closely with Taiwan's high-end board makers to enhance their competitiveness through its Smart Manufacturing Solution. Symtek aims to grow alongside the Taiwan high-end board industry and support its continued success.

B. Optoelectronics and semiconductors

The optoelectronics industry is flourishing on the principle of “Living Green”, leading to the emergence of new applications such as 3D printing, biomedical optoelectronics, plant factories, large-size TVs, and LED lighting products. These innovative applications have greatly contributed to the overall growth in market output value.

Advances in key components, particularly in the area of panels and semiconductor materials, have brought about a transformative change in information and communication technology. In particular, advancements in OLED panel production yield and capacity have enabled flexible panels to be produced at scale, leading to exciting new possibilities in the realm of foldable phones, smart watches, and other consumer products. The introduction of flexible panels has opened up new possibilities for designing user interfaces and experiences. Graphene, a highly sought-after material in the world of technology, has been widely adopted in the manufacturing of information and communication products. This is because of its exceptional properties, including fast charging capabilities and excellent heat dissipation. The latest breakthrough in the utilization of graphene is its integration into miniature sensor chips, which opens doors to new possibilities in the realm of smart wearables. For instance, these tiny sensors can be attached to cell phones and even human skin, revolutionizing the way we interact with various sensor functions. This development opens up enormous business opportunities in the fields of smart medical and health applications, and we are already witnessing the benefits of this innovative technology at this year's exhibition. (Market Intelligence & Consulting Institute)

The Industrial Technology Research Institute (ITRI) has released its highly anticipated forecast for the outlook of Taiwan's manufacturing industry for the next two years. The

report takes into consideration a comprehensive analysis of domestic and international political and economic conditions. According to the report, the output value of Taiwan's semiconductor equipment industry is expected to experience a 5% annual growth in 2022, reaching a total of NT$122.65 billion. However, the industry faces a significant challenge in the future, as decentralization and localization of semiconductor manufacturing gains momentum. This highlights the need for the industry to adapt and evolve to stay competitive.

Despite the ongoing impact of the pandemic on the global economy and trade, the semiconductor industry continues to thrive in 2021. The growing demand for high-tech products and the digital transformation trend among enterprises have driven the tightness of wafer production capacity, leading to a substantial 33.8% increase in the global semiconductor equipment market. Taiwan's semiconductor equipment industry has capitalized on this growth, as reflected by the output value of NT$116.77 billion, which represents a 28.7% increase, according to IEKCQM's data. This underscores the strength and resilience of Taiwan's semiconductor equipment industry in the face of global challenges.

The artificial intelligence (AI) industry is poised for tremendous growth in the coming years, with global revenue from AI service applications projected to reach US$90 billion by 2025, as indicated by the GSMA survey. The Mobile World Congress (MWC) has also observed a continued fervor for AI applications, with the technology increasingly becoming a part of daily life. In the retail sector, the integration of AI with service robots and sensing technology has gained significant traction, as well as telecommunication companies showcasing 5G technology as a key selling point to enhance customer experiences. These advancements highlight the limitless potential for AI to transform various industries and improve our daily lives. The medical sector has been exploring the potential of AI to enhance the interpretation and analysis of data, using more precise image and voice sensing technology, and leveraging AR/VR imaging in medical training and surgical applications. In the realm of home automation, products are evolving towards a human-machine interaction interface, with a focus on integrating home terminals and basing services on user habit data. The transportation industry is also

utilizing AI to create smarter and more efficient solutions. This includes the development of AI chips and multi-sensors to collect traffic data, as well as the use of image recognition technology. The popularity of visual AI traffic solutions is on the rise, providing innovative ways to manage and optimize transportation systems. (Market Intelligence & Consulting Institute)

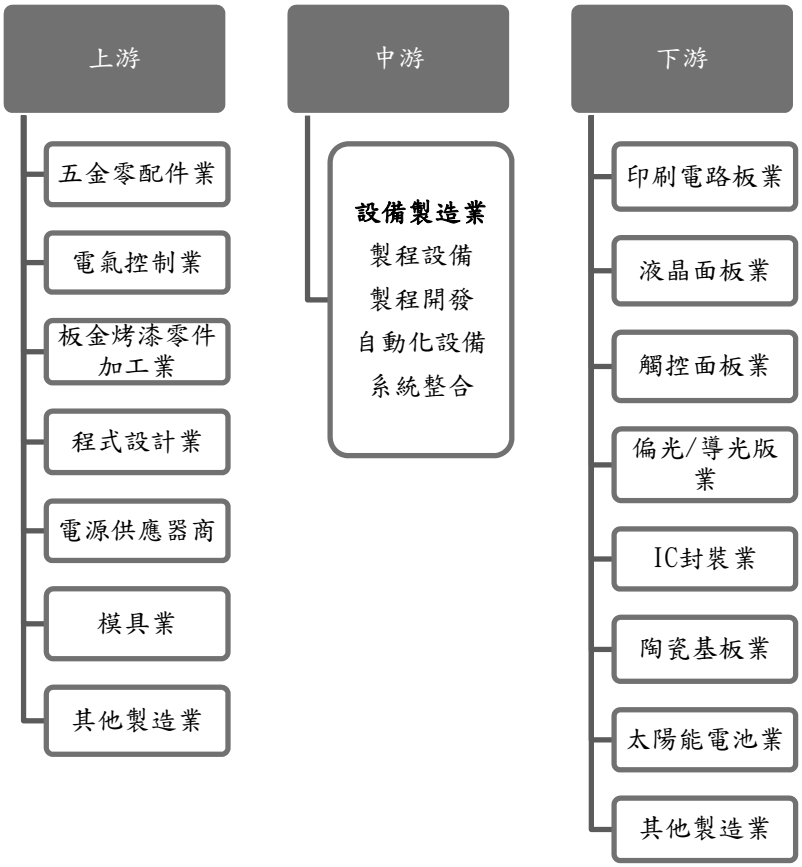
Taiwan's semiconductor industry holds a significant competitive advantage globally, particularly in the foundry and packaging segments, with its output value ranked as the top in the world. The country's IC design industry also holds the distinction of being the second largest in the world, with a value-added rate of nearly 50%. This makes a significant contribution to the economy and highlights the importance of the semiconductor industry for Taiwan. To take full advantage of this opportunity, Symtek must strive to enhance its corporate capabilities and participate in the semiconductor industry, thereby maximizing the value of its core strengths.

C. IoT opportunities

According to the U.S. Federal Trade Commission, the number of connected devices was estimated to have reached 25 billion in 2015 and was expected to reach 50 billion by 2020. By that time, it was predicted that 90 percent of vehicles would be connected to the Internet. Other major device markets that were predicted to see growth included smartwatches, smart light switches, IoT speakers, medical devices, and climate sensors. Symtek has been a strong supporter of the Executive Yuan's Productivity 4.0 initiative since 2016. In alignment with this program, the Company has been working diligently to develop advanced intelligent system integration applications and has played a key role in helping the TPCA complete the PCB Industry Communication Agreement. This agreement serves as the foundation for the IoT integration of equipment and is crucial in driving productivity improvements in the industry. Symtek partners with leading manufacturers to offer customized automated equipment and integrated services aimed at upgrading high-end circuit board manufacturers to Industry 4.0. The Company combines its expertise in information flow collection, integration, and big data analysis with software management applications to provide a comprehensive solution. In 2017, Symtek joined forces with the Industrial Technology Research Institute (ITRI), the

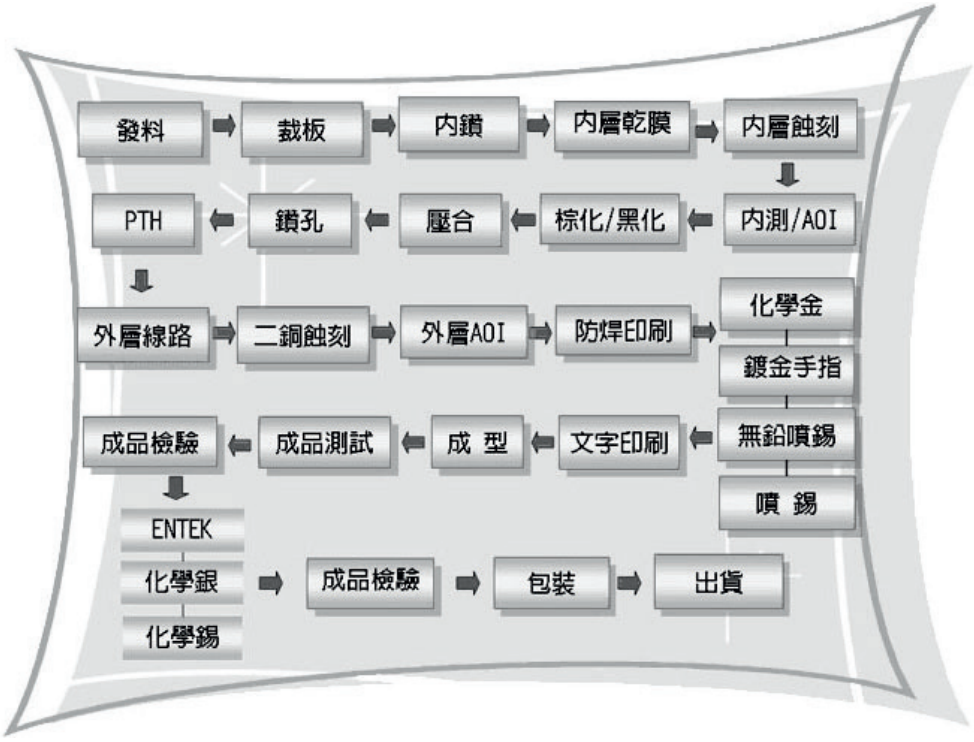
Institute for Information Industry (III), Advantech, DATA SYSTEMS CONSULTING, UNIMICRON, CHIN-POON, and Unitech PCB to form the Smart Manufacturing Alliance. The alliance selected the PCB industry as its primary target for smart factory solutions and established the PCB National Team. In 2020, Symtek and its strategic partners took the next step in their commitment to promoting industry upgrade by establishing the PCB Smart Manufacturing Ecosystem. This ecosystem is dedicated to driving the transformation of the circuit board industry towards a more automated and data-driven future.

2. Correlation between upstream, midstream and downstream industries



3. Various development trends of products

Printed circuit boards come in three main types: traditional hard boards, flexible boards, and IC carrier boards. The production process of these boards is lengthy and involves many stages, making it necessary to divide the process into different sections due to factors such as factory space and production speed. The automation of board loading and unloading, as well as the logistics system, is crucial in this industry. With the rise of high-end board factories, the need for precise board surface protection and cleanliness is becoming increasingly important. In this context, an automation system not only helps to improve production efficiency, but is also necessary to increase the yield rate. The implementation of automation technology is therefore essential for meeting the demands of this industry.



Symtek has always been at the forefront of the industry, particularly in high-end board factories where it boasts a market share of about 70%. The Company has strong, long-standing relationships with its customers and works closely with them to develop new processes and technologies. In the future, Symtek is moving towards the implementation of smart factories. At the TPCA SHOW 2015, the Company showcased integrated vision robots, RGV, AGV, RFID systems, and automatic storage systems, demonstrating its commitment to transforming the PCB manufacturing industry into a smart, data-driven future. In 2017, Symtek successfully developed the IEM (Smart Box), an intelligent machine with communication capabilities and data analysis capabilities. This machine provides the necessary connection for the PCB industry and serves as a foundation for the industry's smart manufacturing efforts. In 2019, Symtek completed its new factory expansion and created a demonstration space for smart manufacturing to educate and raise awareness in both the education and industry sectors. Through its continued efforts and investments in technology, Symtek is working to enhance the competitiveness of the high-end PCB industry and shape its

future.

The growth of the optoelectronic industry has resulted in larger panels and a production process that can no longer be managed by manual labor alone. This is where Symtek's expertise in automation and customization comes in, offering customers the best in automation planning and services. With its professional experience in the field, Symtek has also developed its own process equipment, such as laser applications, integrated image processing technology, and visual inspection machines. These investments demonstrate the Company's commitment to diversifying its business risks and leveraging its core competencies. This strategic approach has already yielded positive results and helps position Symtek for continued success in the industry.

4. Product Competition

Symtek is currently the leading manufacturer of loader and unloader automation equipment in Taiwan. With a broad range of business and product applications in industries such as printed circuit boards, flat panel displays, and solar energy, the Company faces competition from other players in each of these industries, who tend to concentrate on process equipment. However, the wide range of automated equipment offered by Symtek, combined with its relatively low unit price, has made many in the industry reluctant to invest significant resources in development. As a result, Symtek is a key supplier of process equipment for its customers and stands out in the field of board loaders and unloaders. The Company's competitors are unable to match its scale, and its self-developed robotic arm has yet to be replicated by other players in the industry. The Company's exclusive distribution of an intelligent railcar system has also been utilized in the semiconductor packaging industry. Additionally, the Company's exclusive German Mobile Robot and its self-developed Smart WIP can be leveraged to improve the automation of 8-inch wafer fab processes.

Symtek has accrued a total of 305 patents to safeguard its innovative products, which are widely used in the modular mechanisms it has developed. This has allowed the Company to benefit from economies of scale that are unique to it and enjoy cost advantages over the competition.

(iii) Technology and R&D Overview

(1) Technology level and R&D of our business

A. Technology

Symtek was founded in October 1999, with a focus on producing, manufacturing, selling, and installing factory automation equipment. The aim was to raise the quality standard of domestic automation equipment and expand the reach of Taiwan-made automation equipment to the global market. To cater to the diverse requirements of its customers, the Company continuously develops new products and has earned nearly 240 patents for its R&D advancements. These efforts have been recognized by the government, receiving the "Taiwan SMEs Innovation Award" twice and the "Taiwan Mittelstand Award" from the Ministry of Economic Affairs. With its technical patents and extensive practical experience, Symtek has established a reputation as the top automation system service partner among its clients.

B. R&D

a. Automated System with Robots for PLASMA Processes

With the emergence of the 5G era, the PCB industry has undergone a transformation, incorporating the use of robots to replace human labor. To enhance productivity and product quality, Symtek has implemented an automation system in its PLASMA process. The manual work involved in this process is both time-consuming and prone to inconsistencies, leading to variable product quality. By integrating automation, Symtek aims to improve efficiency and ensure consistent and high-quality outputs.

b. Mini Stocker System with AGV

The Mini Stocker system is designed to streamline material management in the production process. It comes equipped with an AGV (Automated Guided Vehicle) system that reduces the need for manual labor and enhances material management efficiency. The system automates inventory management and offers fault detection, ensuring a smooth and reliable material flow. By integrating logistics and information systems, the Mini Stocker system realizes intelligent logistics operation, providing a comprehensive solution for material management.

c. Fully Automatic Packaging System for PCB Back-end Products

Our automatic packaging systems are a game-changer in the production process.

They can handle different sizes of boards with ease and guarantee a high level of quality control. This leads to a more consistent and visually appealing packaging outcome. Plus, the systems minimize the chances of packaging errors, saving labor costs and maximizing returns. Overall, these systems are a key player in streamlining and improving the production process.

d. FPC Flexible Board Laser Drilling Machine Process Equipment

The ESI laser drilling machine takes production to the next level by integrating with roll-to-roll (RTR) equipment. This interlocking operation allows for precise control over the high-speed reciprocal movement of the board, resulting in consistent quality. The laser drilling machine is specifically designed to keep the shrinkage value of the delicate copper thin material within 0.02%, ensuring a high yield of top-notch products.

(2) R&D staff and their academic experience

Unit: Persons

Year / Academic background	2021		2022	
	Persons	%	Persons	%
Doctorate degree	1	0.36	1	0.32
Master's degree	47	17.09	48	15.29
Bachelor's degree	217	78.91	248	78.98
High school	10	3.64	17	5.41
Total	275	100.00	314	100.00

(3) R&D expenses for the last two years

Unit: NT$1,000; %

Year / Item	2021	2022
R&D expenses	314,596	344,616
Net operating income	4,905,620	5,761,799
R&D expenses as a percentage of net operating income	6.41	5.98%

(4) Technologies and products successfully developed in the last three years

Year	R&D Results
2020	Rack module for wafers Automatic frame closing module for wafers Semiconductor wafer cassette loading device Vertical VCP plating line roll-to-roll automation equipment Roll-to-roll automation equipment for high-speed transfer of ESI drilling machine bed Oven process automation system for IC carrier board Smart WIP (for IC carrier board factory) EPC terminal cleaning machine (for car carrier panel) IEM (Smart Box) optimization - Web UI parameter setting, machine basic data setting monitoring screen PLC communication module Main equipment SECS development, including PLC Base and PC Base for rapid development by modularization AGV (Automated Guided Vehicle) and equipment interface software development: ACC 2.0, increase the user interface, including monitoring interface, test interface, setting interface
2021	iVision intelligent single/dual vision alignment, optical auto-feedback adjustment and alignment system Mobile robot control and IoT Wireless control and transmission system development Single axis drive robot development Foup thin conveyors & steering conveyors Visual monitoring platform with self-maintaining backend AI-ML data prediction universal module for MES production line WMS Mini Stocker system (cross stocker and cross floor control; integrated AGV operation; support for handheld mobile devices) IEM V2.0: Support single device PLC multi-to-1 connection control (3-to-1) Apply to IC carrier board rear-end carrier development Apply to IC carrier board rear-end carrier device development Apply to the development of low dust suction module for IC carrier board Apply to PCB carrier backlight vision six-axis correction system development
2022	Large standard storage for FOUP Fab Chemical Micro Storage System Fab Cleanroom Wafer Cassette Pass Box Rear packaging - double-axis arm configuration Lifter Rear packaging-Magazine Zip STK (docking montrac) Rear Package - Montrac Track Avoidance System

Year	R&D Results
	Low-dust generation articulating tooth fork for medium-sized storage of printed circuit boards (suitable for storage below 250kg) Energy industry (coil type) lithium battery automatic cutting, aligning and attaching carrier module AMHS -RGV single-axis system control and dual-axis simultaneous development AMHS -RGV Mission Dispatch System Development (RGV Mission Dispatch System Development) AMHS -Intelligent Logistic Integration System System Development (Intelligent Logistics Integration System Development) AMHS-intelligent warehouse control integration system Wafer Carrier Conveyor System (OHCV) High-end circuit board transfer and delivery Dual Arm Robot development Applied to semiconductor nanoimprint process Peeling & Flip module development Testing automation equipment suitable for IC substrates Laser edge banding automation equipment for IC substrates Suitable for chemical copper stripping and hanging AGV logistics handling equipment for IC substrates Quadrant sorting automation equipment suitable for the back end of IC substrates EFEM automation equipment for the back end of IC substrates

(iv) Long-term and short-term business development plans

(1) Industry development blueprint

Symtek is on a mission to revolutionize the manufacturing industry with its vision for smart factories. We aim to broaden the scope of automation technology services and upgrade core technologies through image vision, wireless communication, big data processing, and the integration of robots, AGV and RGV systems. Our goal is to become a leading provider of Industry 4.0 solutions for the manufacturing industry, and the premier supplier of AMHS for semiconductor wafer fabrication facilities. By leveraging these cutting-edge technologies, we aim to drive the industrial value and bring about a smarter and more efficient future for the manufacturing sector.

(2) Expected R&D development direction

As a leading provider of automation engineering services, we bring a wealth of experience to the table when it comes to manufacturing and developing automation systems. Over the years, we have honed our skills by primarily producing our own products, while also collaborating with top international manufacturers on select projects. This approach allows us to foster strong industrial-academic partnerships and provides opportunities for employee training and skill development. We are committed to continuously strengthening our design and manufacturing capabilities to ensure we provide the best possible solutions to our clients.

A Equipment failure prevention and diagnosis technology

Our approach to data collection and analysis helps to minimize the impact of equipment failure on production. With detailed reports on equipment performance and potential issues, we can take proactive measures to avoid downtime and improve efficiency.

B. Optimization of smart WMS

Our decentralized Warehouse Management System (WMS), combined with the integration of the WCS and ACC (IEM driver), provides a solid foundation for further expansion towards a multi-machine WMS system. By aligning with the production process, this integration enhances process flexibility and enables fast line change capabilities, providing a more dynamic and efficient production environment.

C. Unified appearance and easy assembly: Our modular design approach not only delivers cost savings, but it also streamlines the assembly process. With a standardized and simplified appearance, our components can be assembled more quickly, reducing the amount of time and personnel required to bring your production line to life. This unified and user-friendly design helps to minimize costs and optimize efficiency.

D. Robot application with sensing system: Our robots are equipped with advanced sensing systems that help to improve software and system integration. This integration results in intelligent, low-power consumption automation devices that simplify other mechanical designs, enhance equipment functionality and efficiency, reduce the need for human intervention, and minimize the risk of errors. With this integration, we are able to deliver cutting-edge robotic solutions that improve overall equipment capabilities and drive performance in your production line.
E. Planning capability of equipment IOT and software integration: Our equipment IOT and software integration capabilities are second to none. By partnering with industry leaders, we are able to boost our software capabilities, modularize IOT technology, standardize communication platforms, and gather valuable and reliable data. We offer our customers an array of system integration tools, including expert systems and big data analysis solutions, that enable real-time management and process monitoring. Our goal is to enhance process parameters and overall capabilities, providing a streamlined and efficient production process.

II. Production and Market Overview

(i) Market Analysis

(1) Major product (service) sales regions

Unit: NT$1,000

Year / Area	2021		2021	
	Sales	%	Sales	%
Taiwan	2,429,352	49.5	2,739,870	47.55%
China and other regions	2,476,268	50.5	3,021,929	52.45%
Total	4,905,620	100.0	5,761,799	100.00%

(2) Market share

Our company boasts a highly skilled R&D team and over 305 patents, including 14 for groundbreaking inventions. Our fast and efficient after-sales service team is dedicated to meeting the needs of our customers. In recent years, we have effectively displaced imported automation equipment in the Taiwan market, greatly boosting the competitiveness and growth of the local PCB industry. Our customers are primarily high-end board manufacturers, many of which are publicly traded, and we have a strong track record of maintaining positive relationships with them through quality after-sales service and joint development opportunities.

In 2004, as the manufacturing industry shifted towards mainland China, Symtek established a manufacturing plant (Dongguan plant) and a service office (Huadong service office) in response to the needs of numerous PCB manufacturers moving in the same direction. This allowed us to continue growing and serving our customers in the region.

As a crucial partner for high-end board manufacturers, Symtek has established itself as a leader in the PCB industry and successfully expanded its core technological expertise to various automation fields such as ceramic substrates, electronic assembly, TFT-LCD, LED, IC packaging and testing, semiconductor wafer fabs, and AMHS. With its ability to provide comprehensive solutions, Symtek has become an indispensable player in the industry.

(3) Future market supply and demand and growth

A. Demand

To remain ahead in this highly competitive market, high-end board manufacturers need to focus on improving their production processes. The integration of advanced

automated equipment and the creation of Industry 4.0 smart factories can play a crucial role in elevating their competitiveness and ensuring the production of high-quality products with consistent yields.

To remain competitive in the rapidly evolving electronics industry, high-end board manufacturers must continuously improve the quality and yield of their products. This requires a significant investment in automated equipment and the implementation of Industry 4.0 smart factories. Machinery and equipment serve as profit-generating assets for companies, and those that strive for a competitive advantage invest in higher quality, more efficient equipment and collaborate with equipment manufacturers to develop new technologies and create even more valuable products. In this way, they not only keep up with the competition, but also expand their competitive edge over those who don't continuously invest and grow.

B. Supply

We are the leader in the PCB industry in terms of technology and quality. We have pioneered the use of our self-developed low dust robot system in the PCB equipment (the related product won the 15th Taiwan SMEs Innovation Award), and have improved efficiency and stability by reducing production costs with a modular design. Our products are especially popular among high-end board manufacturers for their production speed and cleanliness, and we are working with our customers to develop a new generation of Panel Tray process technology, which has significantly increased the gap between us and our competitors.

The Company has adopted the productivity 4.0 program introduced by the Industrial Development Bureau of the Ministry of Economic Affairs in 2014, earning recognition as a registered automation supplier. We have also formed strategic partnerships with leading companies such as HIWIN and Advantech to boost our resources and provide efficient, high-quality services that meet our customers' needs.

To keep pace with the Industry 4.0 revolution, we have established an intelligent software department. This department integrates vision systems, wireless communication technology, and big data processing with our self-developed six-axis robots, AGV, and RGV logistics systems. Our goal is to achieve single-machine automation, whole-line automation, and ultimately, create smart factories across the entire facility. As a result, we have become a professional supplier of Industry 4.0

upgrades and have achieved the “lights-out factory” in the PCB and semiconductor packaging industries.

(4) Competitive niche

A. We boast strong design and R&D capabilities, as well as a talent for integrating the latest technologies. We stay ahead of the curve by continuously monitoring market trends and developing cutting-edge products and interfaces. Our comprehensive product range not only offers customers a wide selection, but also enables our strategic partners and co-manufacturers to increase their marketing value.

B. We offer a full-service after-sales support, including real-time on-site assistance to ensure prompt, “local” service. Our goal is to minimize customer costs and maximize customer satisfaction by providing automatic service that meets their needs in the shortest time possible.

C. Our commitment to excellent product quality has earned us a variety of patents and earned us high praise from both domestic and international customers. Our modular low dust products are particularly noteworthy, offering a high level of competitiveness in the market.

D. We have established processing units and vertically integrated them to greatly improve efficiency and reduce production costs.

E. We have built a strong brand image known for its stability, efficiency, and cleanliness.

F. We are expanding internship and industry-academia cooperation, and recruiting professional talents in advance.

(5) Favorable and unfavorable factors of development prospect and countermeasures:

A. Favorable factors

a. PCB industry driven by new consumer products and IOT market

An analysis of the driving factors behind the growth of the PCB industry has identified three key factors: the introduction of new products by Apple, increased demand for applications such as wearable devices, and the expanding market for Internet of Things technology. It is noteworthy that the impact of the rapid rise of Chinese brand cell phones on the PCB industry chain appears to have diminished compared to previous surveys. The relationship between this trend and the “red supply chain” remains to be further observed. On the other hand, the three most significant factors negatively impacting the growth of the PCB industry are slower-than-expected economic growth in mainland China, a slowdown in sales of high-end smartphones, and a sharp drop in demand for PCBs. The survey suggests that Taiwan's PCB industry relies

heavily on both the mainland China and U.S. markets, and that Apple products provide significant support for the overall market. However, with the slowdown in sales of high-end smartphones and a saturated PCB market, the Taiwan industry must recognize the need for action. This means strengthening our supply chain foundation, developing global partnerships, managing operations effectively to improve profitability, and investing in R&D to drive innovation. By doing so, we will be poised to emerge as one of the few thriving players in the global market during the slow recovery trend. (TPCA Magazine)

Symtek aims to meet the automation needs of top-tier board factories and leading listed companies. These companies plan their investments and equipment upgrades in line with their continued growth. Symtek has been working alongside these market leaders, developing innovative products that align with industry trends and analysis. Along with a modular strategy, we also specialize in niche products and offer customized solutions to meet the specific needs of small and diverse projects, adding extra value for our customers.

In 2016, our major customers invested a total of NT$5 billion in capital expenditures, mainly on expanding and upgrading their production capacity and on recurring capital expenditures. More of this investment was made in Taiwan than in China, with a focus on HDI and IC substrates, indicating a continued growth in demand for high-end products.

b. Key technologies and capabilities

As a leader in technology and quality in the circuit board industry, we employ the low dust robot system in our board loading and unloading equipment and utilize modular design to reduce costs and enhance efficiency and stability. This enables us to easily meet the demands of high-end board manufacturers for speed and cleanliness, while also collaborating with customers to advance Panel Tray process technology.

Symtek excels in elevating cost-effective products to high-end applications and becoming a leading or replacement product. For instance, we have imported the RGV system from Montrac, Switzerland and, with our automation expertise, we have developed an unmanned transportation system for semiconductor packaging and testing facilities. This innovative solution has been implemented in leading packaging and testing plants in Taiwan.

Symtek has a reputation for taking cost-effective products and elevating them to meet the demands of high-end applications. In 2007, we developed our own single-axis and two-axis robots, and later teamed up with HIWIN to create 6-axis robots that meet the specific needs of the industry while offering a cost-

effective solution. Our efforts have paid off: In 2008, our 3-axis robot was recognized with the Taiwan SMEs Innovation Award by the Ministry of Economic Affairs. And in 2018, we further optimized and improved the robot, making it suitable for use in semiconductor wafer fabs and becoming the first Taiwanese equipment manufacturer to be used in a clean room environment in the semiconductor industry.

c. Quickly meet customer needs with external resources

At Symtek, the customer's satisfaction is of utmost importance. Our business units each have a dedicated customer service and technical department, ensuring that our clients receive professional and immediate support 24/7. By consistently offering innovative products, utilizing our extensive resources, and engaging in partnerships and industry-academia collaborations, we strive to provide a comprehensive service experience and establish trust with our clients. Our aim is to continuously enhance product visibility, expand market reach, and foster mutually beneficial relationships through team clustering, joint development, product integration, and exclusive agency partnerships. This approach ultimately results in a win-win scenario for both Symtek and our valued customers.

B. Negative factors and countermeasures

a. The global economy is not yet free from the gloomy influence

The first phase of the U.S.-China trade agreement was signed on January 15, 2020. The agreement requires China to increase its imports of goods and services to the U.S. by $200 billion over the next two years, based on the 2017 fiscal year. Additionally, within 30 days of the agreement's implementation, China must develop a plan to meet its obligations related to intellectual property rights. However, many experts believe that China may struggle to fulfill all the requirements of the first phase of the agreement. There is also a mechanism in place to monitor compliance with the agreement. Therefore, the future of US-China trade negotiations remains uncertain, marked by a pattern of tensions and negotiations. This, in turn, could potentially lead to the resurgence or escalation of trade hostilities, which would significantly impact Taiwan's export and investment activities in 2020. Moreover, the ongoing trade conflict may also affect the local economy through the financial market, leading to decreased domestic demand and consumption, presenting the primary source of uncertainty for Taiwan in the year 2020.

Additionally, the monetary policies of central banks in major economies have been supportive. The Federal Reserve in the US has consistently indicated

that its monetary policy is well-positioned, but if there are major shifts in the US economic outlook, the Fed may take further action. In the eurozone, despite recent signs of economic stabilizationization, the ECB is expected to maintain its accommodative monetary policy given the continued economic uncertainty. These monetary policies of major economies can have a significant impact on international capital flows and financial market volatility, influencing the stability of global financial markets and overall economic growth.

The Covid-19 pandemic had a significant impact on the global economy in 2020, leading to a decrease in consumer and investment activity, as well as a sharp decline in manufacturing and trade. Taiwan's economy was not immune, with real GDP growth rate reaching just 1.59% in Q1 due to the slowing demand abroad and a decrease in domestic consumption. In June, the International Monetary Fund (IMF) predicted that the global recession would worsen to 4.9% for the year, painting a bleak picture for the external environment.

The Russia-Ukraine conflict has resulted in economic hardships and exacerbated inflation, hindering post-pandemic economic recovery. The International Monetary Fund (IMF) has revised its global economic growth projections for 2022 and 2023, down to 3.6%. This represents a decrease of 0.8 and 0.2 percentage points respectively compared to their January predictions prior to the outbreak of the Russia-Ukraine conflict.

Response:

①Strategic alliance with high-end IC carrier board manufacturers and world-class equipment vendors to jointly develop markets in Europe, the U.S. and other developed countries to enhance product visibility and expand into the semiconductor market.

②Grasp the credit status of customers to reduce the risk of bad debts.

③Actively exploit the demand of smart manufacturing market to reduce the demand for manpower and improve the process yield and competitiveness of the industry, which is the trend of industry development nowadays.

b. Restrictions of environmental protection regulations and other laws

Additionally, as environmental regulations become increasingly stringent, PCB manufacturers are facing growing pressure to reduce their impact on the environment. This has led to an increased focus on wastewater management and recycling practices. As a result, manufacturers are seeking new locations for their factories that align with these regulations. This trend is also affecting equipment manufacturers who supply to the PCB industry, leading them to

adapt their offerings to meet the evolving needs of their customers.

Response:

①Accelerate the research and development of high-end products, which can significantly reduce production costs for customers.

②Expand the order taking capability of the Dongguan subsidiary.

③Strengthen the process management capability and improve the yield rate to reduce the production cost.

④Develop a more complete product line for the semiconductor market.

c. Price cutting in similar products, resulting in vicious competition in the market

Since the low-end board factory has become a red sea, the competition is very fierce and often faces the bad environment of price cutting by competitors.

Response:

①Strengthen the innovation ability and patent layout, and take the trend of high speed production, high efficiency and high cleanliness as the product strategy.

②Create high added value by integrating information flow and logistics.

③Strengthen the after-sales service and repair technology to serve customers nearby.

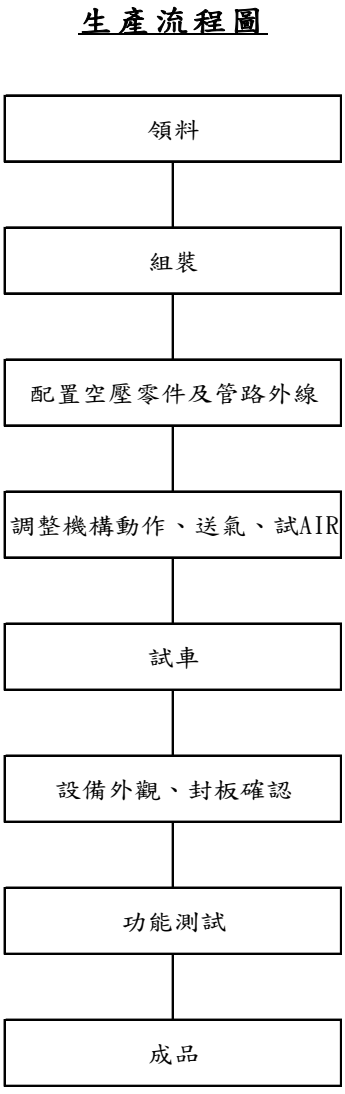
④With reasonable domestic price, we can capture the market of Europe, America and Japan.

(ii) Important Applications and Production Processes of Major Products

(1) Important applications

Item	Important applications and functions
IBU (EBU) Automation Equipment	Including automatic equipment for the whole process of printed circuit board, including horizontal board loading and unloading machine, vertical frame type board loading and unloading machine, steering machine, board spacing control machine, temporary storage machine, board flipping machine and transfer machine, etc.
BBU (PBU) Automation Equipment	Including alignment film friction inspection machine, packaging machine, array inspection machine, depaneling machine, glass substrate transport machine, glass board packing machine, water glue machine, glass board transfer machine, electric tester and water washing machine, etc. Flat panel display automation equipment, electronic assembly terminal plug-in machine, bending and laminating machine, etc.
FBU (SBU) Automation Equipment	Including intelligent automation, turn-key logistics, information integration planning and services for semiconductor, IC packaging and testing, and semiconductor wafer fab industries. Automatic storage system, AGV, RGV system logistics integration planning and services. Including wafer loading and unloading machines, automatic warehousing systems, AGV, RGV systems, mobile robots, and other automation equipment and services.

(2) Production process:



(3) Major raw materials supply situation

Major raw materials	Major suppliers	Supply status
Robot arm	Myson, HIWIN	Good
Motor	ORIENTAL MOTOR, EVERTAK	Good
Programmable controller	EVERTAK, KEYENCE	Good
Machine frame	YANG MING, SAN XIN, HONG XIN,	Good

	ZHUN JIANG, SENQ, HONG FA	
Bearings, cylinders	AirTAC, SMC Automation, FANDA	Good
Sheet metal parts	SUN-MAY STEEL IRON, WEI HOUNG, LASER ART FABRICATING	Good
Processing parts (milling parts)	SHIANG SHUN, C.H. International Manufacturing & Supply	Good

(4) Customers who have accounted for more than 10% of the total purchases (sales) in any of the last two years

1. Major purchases

Unit: NT$1,000

Item	2021				2022			
	Name	Amount	Percentage of net purchases for the year	Relationship with the issuer	Name	Amount	Percentage of net purchases for the year	Relationship with the issuer
1	Company F	247,622	8.4	None	Company E	273,097	6.96	None
2	Other	2,701,532	91.6	None	Other	3,650,556	93.04	None
	Net purchase	2,949,154	100.0		Net purchase	3,923,653	100.00	

Description of change: The largest supplier in 2021 is the same as in 2020 with no changes.

2. Major sales

Unit: NT$1,000

Item	2021				2022			
	Name	Amount	Percentage of net purchases for the year	Relationship with the issuer	Name	Amount	Percentage of net purchases for the year	Relationship with the issuer
1	Customer U	699,815	14.3	None	Customer U	961,165	16.68%	None
2	Customer QT	653,912	13.3	None	Customer LT	784,459	13.61%	None
3	Other	3,551,893	72.4		Other	4,016,175	69.71%	
	Net sale	4,905,620	100.00		Net sale	5,761,799	100.00%	

Description of change: Sales revenue of Customer U increased in 2021 due to higher demand for new factories than Customer QT.

(5) Production volume for the last two years

Unit: NT$1,000

Year / Production volume	2021		2022	
Main product	Output	Output value	Output	Output value
EBU automation equipment	3,049	2,599,984	3,126	4,448,863
PBU automation equipment	67	240,004	28	334,262
SBU automation equipment	287	465,822	291	978,674
Total	3,403	3,305,810	3,126	4,448,863

Note: The automated process equipment produced by the Company is manufactured according to customer requirements. The key technologies are mainly mastered by the Company, and each system requires different parts and components, so the capacity data is not comparable and therefore not shown.

(6) Sales volume for the last two years

Unit: NT$1,000

Year / Sales volume	2021				2022			
	Domestic Sales		Overseas Sales		Domestic Sales		Overseas Sales	
Main product	Output	Output value	Output	Output value	Output	Output value	Output	Output value
EBU automation equipment	1,122	1,414,103	1,927	2,436,491	1,528	2,044,823	1,598	2,404,040
PBU automation equipment	60	312,652	7	39,777	22	267,784	6	66,478
SBU automation equipment	287	702,597	-	-	208	709,322	83	269,352
Total	1,469	2,429,352	1,934	2,476,268	1,758	3,021,929	1,687	2,739,870

III. Information on employees for the last two years and up to the date of publication of the annual report

Year		2021		2022		May 8, 2023	
Number of employees	Managerial officers	54		58		57	
	General employees	594		646		622	
	Production line employees	242		327		247	
	Total	890		1,031		926	
Average age		34.6		33.6		33.7	
Average length of service		5.25		5.25		5.16	
Education distribution ratio	Doctorate degree	1	0.11%	1	0.10%	1	0.11%
	Master's degree	70	7.87%	82	7.95%	77	8.63%
	Bachelor's degree	574	64.49%	702	68.09%	604	64.70%
	High school	143	16.07%	210	20.37%	210	22.73%
	Below high school	102	11.46%	36	3.49%	34	3.83%

IV. Information on Environmental Protection Expenses

(i) Total losses and penalties for environmental pollution in the most recent year and up to the date of the annual report (None)

(ii) Future countermeasures and potential expenses (not applicable)

V. Labor Relations

(i) The Company's employee benefits, education, training and retirement systems and their implementation, as well as the agreements between employers and employees and measures to protect the rights and interests of employees

1. Employee welfare measures
   (1) In accordance with the Employee Welfare Fund Act, we provide employee welfare funds to handle various welfare matters, such as weddings, funerals, annual gifts, maternity, hospitalization, major disasters and other subsidies, and subsidize employee travel every year. In addition, the annual company activities and year-end parties are free for employees and their family members to attend.
   (2) The Company allocates workers' retirement reserve funds in accordance with the regulations in order to manage matters related to employees' retirement reserve funds.
   (3) The Company also takes out labor and universal health insurance in accordance with the relevant government regulations, and for the safety of employees, we also take out group insurance for employees to protect them and provide them with more benefits.
   (4) In accordance with the Articles of Incorporation of the Employee Benefit Trust Plan Committee, the Company shall provide incentive funds to implement the Employee Stock Ownership Trust Plan.
   (5) Provide each employee with a day off for their birthday and a birthday gift card.
2. Education and training
   To meet the needs of our workforce and comply with relevant regulations, we offer a range of educational and training programs, including employee training, technical and professional training, quality control training, personal growth training, and occupational safety and health training. These programs are designed to provide employees with comprehensive professional development and opportunities for personal growth.
   To ensure the continuous growth and development of our company, we have made investments in the education and training of our executives and R&D team. 23 executives and R&D staff have been sent to graduate programs at the Institute of Mechanical Research at Chung Yuan University and Yuan Ze University, while 8 executives have received subsidies to study at the Institute of Management and Research at Yuan Ze University. These initiatives provide a solid foundation for future expansion and enable our employees to acquire a full range of professional skills and opportunities for personal growth.
3. Retirement system
   In accordance with the Labor Standards Act, the Company has established a

retirement plan for its employees and allocates a portion of their monthly salaries and wages towards the retirement reserve. This amount is then deposited into a pension account at the Bank of Taiwan. The Labor Pension Act became effective on July 1, 2005, introducing a defined contribution system. As a result, employees have the option to either be covered under the provisions of the Labor Standards Act or choose the pension system of the Labor Pension Act, preserving their seniority prior to the implementation of the act. For employees enrolled in the Labor Pension Act, the Company is committed to contributing not less than 6% of their monthly salary towards their pension fund.

4. Agreements between labor and management and various measures to protect employees' rights and interests

   The Company places a strong emphasis on maintaining positive and productive labor relationships. To that end, the Company works to foster a harmonious environment between employees and management and facilitates open communication to resolve any issues that may arise. As a result, there have been no major unresolved labor disputes to date.

(ii) Losses suffered from labor disputes in the most recent year and as of the date of the publication of the annual report, and the estimated amount of current and potential future losses and measures to address them (none)

VI. Cyber Security Management: Please refer to page 305

VII. Important Contracts

Nature of contract	Concerned party	Period	Main content	Restrictions
Financing contract	Hua Nan Commercial Bank	2009/8/6~2024/8/6	Long-term mortgage loan	Land and factory guarantee
Financing contract	Hua Nan Commercial Bank	2019.03~2039.02	Long-term mortgage loan	Land and factory guarantee
Joint development contract	Ever Radiant Inc.	2019.09~2021.08	Development plan for nanoimprint lithography machine	Project property is shared by both parties; intellectual property rights are shared by both parties
Financing contract	O-Bank Co., Ltd.	2019.03~2026.03	Operating turnover	None

VI. Financial Information

1. Condensed Financial Information for the Last Five Years

1.1 Condensed Balance Sheet—IFRS Consolidated

Unit: NT$ thousand

Items \ Years		5 Years Fiscal Information				
		2018	2019	2020	2021	2022
Current Assets		3,351,776	2,700,547	3,890,869	4,972,007	5,847,107
P.P.E.		337,147	720,995	705,697	688,583	1,688,053
Intangible Assets		16,463	7,595	8,885	12,698	14,501
Other Assets		131,173	159,858	144,186	506,586	358,526
Total Assets		3,836,559	3,588,995	4,749,637	6,179,874	7,908,187
Current Liability	Ex distribution	1,945,674	1,298,474	2,438,350	2,655,269	3,300,977
	Post distribution	2,107,514	1,388,924	2,697,640	3,105,441	3,729,567(註)
Non-current Liability		119,632	629,686	167,377	198,324	915,522
Total Liability	Ex distribution	2,065,306	1,928,160	2,605,727	2,853,593	4,216,499
	Post distribution	2,227,146	2,018,610	2,865,017	3,303,765	4,645,089(註)
Equity Attribute to Owner		1,771,253	1,660,835	2,143,910	3,326,281	3,646,441
Pain in Capital		578,000	578,000	603,156	701,019	714,317
Capital Surplus		564,664	580,092	735,707	1,428,094	1,506,096
Retain Earning	Ex distribution	644,969	550,942	839,754	1,232,110	1,447,432
	Post distribution	483,129	460,492	580,464	781,938	1,018,842
Other Equity		(16,380)	(48,199)	(34,707)	(34,942)	(21,404)
Treasury Stock		-	-	-	-	-
Non-Control Equity		-	-	-	-	45,247
Total Equity	Ex distribution	1,771,253	1,660,835	2,143,910	3,326,281	3,691,688
	Post distribution	1,609,413	1,570,385	1,884,620	2,876,109	3,263,098

Note 1: All the financial information provided above was audited and certified by the independent auditors.
Note: 2: Financial statements as of March 31, 2022 have been reviewed and approved.

1.2 Condensed Balance Sheet—IFRS Parent Company Only

Unit: NT$ thousand

Years / Items		5 Years Fiscal Information				
		2018	2019	2020	2021	2022
Current Assets		1,803,520	1,491,325	1,865,732	2,888,803	3,052,009
P.P.E.		261,810	651,212	642,909	633,695	1,606,059
Intangible Assets		16,241	7,508	3,120	7,719	10,180
Other Assets		641,670	860,242	1,035,136	1,690,603	1,805,775
Total Assets		2,723,241	3,010,287	3,546,897	5,220,820	6,474,023
Current Liability	Ex distribution	833,420	720,282	1,241,755	1,708,925	1,931,572
	Post distribution	995,260	810,732	1,501,045	2,159,097	2,360,162(註)
Non-current Liability		118,568	629,170	161,232	185,614	896,010
Total Liability	Ex distribution	951,988	1,349,452	1,402,987	1,894,539	2,827,582
	Post distribution	1,113,828	1,439,902	1,662,277	2,344,711	3,256,172(註)
Equity Attribute to Owner		1,771,253	1,660,835	2,143,910	3,326,281	3,646,441
Pain in Capital		578,000	578,000	603,156	701,019	714,317
Capital Surplus		564,664	580,092	735,707	1,428,094	1,506,096
Retain Earning	Ex distribution	644,969	550,942	839,754	1,232,110	1,447,432
	Post distribution	483,129	460,492	580,464	781,938	1,018,842
Other Equity		(16,380)	(48,199)	(34,707)	(34,942)	(21,404)
Treasury Stock		-	-	-	-	-
Non-Control Equity		-	-	-	-	-
Total Equity	Ex distribution	1,771,253	1,660,835	2,143,910	3,326,281	3,646,441
	Post distribution	1,609,413	1,570,385	1,884,620	2,876,109	3,217,851

Note 1: All the financial information provided above was audited and certified by the independent auditors.

2.1 Condensed Statement of Comprehensive Income—IFRS Consolidated

Unit: NT$ thousand

Years / Items	5 Years Fiscal Information				
	2018	2019	2020	2021	2022
Operating Revenue	3,753,387	2,967,728	3,395,005	4,905,620	5,761,799
Gross Profit	917,038	755,967	1,055,807	1,599,810	1,641,066
Operation Profit	250,361	57,041	496,856	823,443	843,387
Non-Operating Income and Expenses	6,383	(4,498)	9,062	11,940	44,107
Profit Before Income Tax	256,744	52,543	505,918	835,383	887,494
On Going Unit Profit	256,744	52,543	505,918	835,383	887,494
Suspending Uint Loss	-	-	-	-	-
Net Profig	232,408	67,813	379,262	651,646	666,333
Other Comprehensive Profit (After Tax)	(9,299)	(31,840)	13,492	(235)	12,038
Net Profit For the Year	223,109	35,973	392,754	651,411	678,371
Net Profit Atributable to the Owner	232,408	67,813	379,262	651,646	666,994
Net Profit Atributable to Non-Controllable	-	-	-	-	(661)
Comprehensive Income Attributable to The Owner	223,109	35,973	392,754	651,411	679,032
Comprehensive Income Attributable to The Non-Controllable	-	-	-	-	(661)
Earning per Share	4.04	1.17	6.35	10.15	9.41

Note 1: All the financial information provided above was audited and certified by the independent auditors.
Note: 2: Financial statements as of March 31, 2022 have been reviewed and approved.

2.2 Condensed Statement of Comprehensive Income—IFRS Parent Company Only

Unit: NT$ thousand

Years / Items	5 Years Fiscal Information				
	2018	2019	2020	2021	2022
Operating Revenue	2,096,309	1,621,937	1,698,858	2,602,534	3,414,489
Gross Profit	595,738	430,853	571,154	922,165	1,096,256
Operation Profit	161,866	(86,544)	249,912	381,665	530,579
Non-Operating Income and Expenses	94,682	127,420	228,586	406,520	327,388
Profit Before Income Tax	256,548	40,876	478,498	788,185	857,967
On Going Unit Profit	256,548	40,876	478,498	788,185	857,967
Suspending Uint Loss	-	-	-	-	-
Net Profig	232,408	67,813	379,262	651,646	666,994
Other Comprehensive Profit (After Tax)	(9,299)	(31,840)	13,492	(235)	12,038
Net Profit For the Year	223,109	35,973	392,754	651,411	679,032
Net Profit Atributable to the Owner	232,408	67,813	379,262	651,646	666,994
Net Profit Atributable to Non-Controllable	223,109	35,973	392,754	651,411	679,032
Comprehensive Income Attributable to The Owner	4.04	1.17	6.35	10.15	9.41

Note 1: All the financial information provided above was audited and certified by the independent auditors.

3. Name of Accountant and Audit Opinion

Year	Name	Accounting Firm	Audit opinion	Remark
2017	Liu, Shui-En/ Yang, Ching-Chen	Deloitte & Touche	Unqualified opinion	
2018	Yang, Ching-Ting/ Yang, Ching-Chen	Deloitte & Touche	Unqualified opinion	
2019	Yang, Ching-Ting/ Yang, Ching-Chen	Deloitte & Touche	Unqualified opinion	
2020	Yang, Ching-Ting/ Yang, Ching-Chen	Deloitte & Touche	Unqualified opinion	
2021	Chuang, Wen-Yuan/ Yang, Ching-Chen	Deloitte & Touche	Unqualified opinion	
2022	Chuang, Wen-Yuan/ Yang, Ching-Chen	Deloitte & Touche	Unqualified opinion	

2. Financial Analysis for the Most Recent Five Years

1.1 Financial Analysis - IFRS Consolidated

Items \ Yeras		5 Years Fiscal Information				
		2018	2019	2020	2021	2022
Financial Structure	Debt ratio (%)	53.83	53.72	54.86	46.18	53.32
	Ratio of long-term capital to property, plant and equipment	560.85	317.69	327.52	511.86	272.93
Solvency	Current ratio (%)	172.27	207.98	159.57	187.25	177.13
	Quick ratio (%)	122.35	162.09	114.00	130.87	102.93
	Interest coverage ratio	13.30	3.21	33.62	75.33	58.75
Operating capacity	Turnover rate for receivables (time)	2.27	1.91	2.50	3.91	4.64
	Average number of days for cash collection	161	191	146	93	79
	Turnover rate for inventories (time)	2.90	2.98	2.92	2.66	2.21
	Turnover rate for payable (time)	3.53	3.62	3.18	2.97	2.92
	Average number of days for sales	126	122	125	137	166
	Turnover rate for property, plant and equipment (times)	14.01	5.61	4.76	7.04	4.85
	Turnover rate for total assets (times)	1.02	0.80	0.81	0.90	0.82
Profitability	Return on assets (%)	6.76	2.26	9.40	12.09	9.64
	Return on equity (%)	14.39	3.95	19.94	23.83	18.99
	Ratio of net profit before tax to paid-up capital (%)	44.42	9.09	82.38	119.17	124.24
	Profit margin (%)	6.19	2.29	11.17	13.28	11.56
	Earnings per share (NT$)	4.04	1.17	6.35	10.15	9.41
Cash flows	Cash flow ratio (%)	(註 1)	38.50	32.34	25.55	2.00
	Cash flow adequacy ratio (%)	13.80	26.74	51.74	56.64	41.85
	Cash reinvestment ratio (%)	(註 1)	14.80	29.79	12.18	(註 1)
Leverage	Operating leverage	5.90	18.86	3.04	2.74	3.04
	Financial leverage	1.09	1.84	1.03	1.01	1.02
Please explain the reasons for variations in financial ratios for the latest two years. (analysis may be						

Items \ Yeras	5 Years Fiscal Information				
	2018	2019	2020	2021	2022
exempted for items with variation less than 20%) 1. Ratio of long-term capital to property, plant and equipment decrease : Due to bought a new land for consturctue new factory. 2. Quick ratio decrease : Due to cash and equivalent cash decrease. 3. Interest coverage ratio decrease：Due bank loan increase, interest expense increase. 4. ROA decrease : Due to bought a new land for consturctue new factory. 5. ROE decrease : Due to average equity increase。 6. Cash flow ratio decrease : Due to cash flows from operating activities decrease. 7. Cash flow adequacy ratio : Due to Capex, inventories and cash dividend increase.					

Note 1: All the financial information provided above was audited and certified by the independent auditors.

Note 2: If the cash flow from operating activities is a net outflow or a cumulative net outflow, the cash flow related ratio is not calculated.

Note 3: The following calculation formula shall be shown at the end of this annual report:

1. Financial structure
   (1) Debt-asset ratio = Total liabilities / total assets.
   (2) Ratio of long-term capital to property, plant, and equipment = (total equity + non-current liabilities) / net amount of property, plant, and equipment.
2. Solvency
   (1) Current ratio = Current assets / current liabilities.
   (2) Current ratio = Current assets / current liabilities.
   (3) Interest coverage ratio = Net profit before tax and interest / interest expenses.
3. Operating performance
   (1) Accounts receivable (including accounts receivable and Note s receivable resulting from operation) turnover = Net sales / balance of average accounts receivable (including accounts receivable and Note s receivable resulting from operation).
   (2) Average collection days = 365 / receivables turnover rate.
   (3) Inventory turnover rate = Cost of sales / average inventory.
   (4) Accounts payable (including accounts payable and Notes payable resulting from operation) turnover = Cost of sales / balance of average accounts payable (including accounts payable and Notes payable resulting from operation).
   (5) Average days for sale = 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) = [Net income after income tax + Interest expenses * (1 - tax rate)] / Average total assets.
   (2) Return on equity = Net income after tax / Average equity.
   (3) Net margin = Net income after tax / Net sales.
   (4) Earnings per share = (Net income (loss) attributable to owners of parent company – Dividends on preferred shares) / Weighted average number of issued shares. (Note 4)
5. Cash flow
   (1) Cash flow ratio = Net operating cash flow / Current liabilities.
   (2) Net cash flow adequacy ratio = Net cash flow from operating activities in the most recent five years / (Capital expenditure + Increase in inventory + Cash dividends) in the most recent five years.
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross of

property, plant and equipment + Long-term investment + Other non-current assets + Working capital). (Note 5)

6. Leverage:

(1) Degree of operating leverage = (Net operating revenue - Variable operating costs and expenses) / Operating income (Note 6)

(2) Degree of financial Leverage = Operating profit / (Operating profit - Interest expenses).

Note 4: In calculating the earnings per share formula above, special attention shall be paid to the following matters when measuring:

1. The weighted-average number of common shares is used as the basis, not the number of shares outstanding at the end of the year.
2. Where there is a cash capital increase or a treasury stock transaction, the weighted-average number of shares shall be calculated taking into account the period of its circulation.
3. If there is a capital increase from earnings or capital surplus, the percentage of capital increase shall be adjusted retroactively in the calculation of prior years' and semiannual earnings per share, without regard to the period of issuance of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividends (whether paid or not) for the year shall be deducted from income after tax or added to net loss after tax. If the preferred stock is non-cumulative, the dividends shall be reduced by the income after tax if there is an income after tax; if there is a loss, no adjustment is required.

Note 5: In the cash flow analysis, special attention shall be paid to the following matters when measuring:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures represent the cash outflows in capital investments each year.
3. Increase in inventories is included only when the closing balance is greater than the opening balance, and is calculated as zero if there is a decrease in inventories at the end of the year.
4. Cash dividends include cash dividends from common stock and preferred stock.
5. Gross property, plant and equipment represents the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 6: The issuer shall distinguish each operating cost and operating expense into fixed and variable according to their nature, and if any involves estimation or subjective judgment, attention shall be paid to their reasonableness and consistency.

Note 7: If the Company’s stock has no par value or the par value of each share is not NT$10, the calculation related to its ratio to the paid-in capital in the preceding paragraph shall be the ratio to the equity attributable to owners of parent company in the balance sheet.

1.2 Financial Analysis - IFRS Parent Company Only

Items \ Yeras		5 Years Fiscal Information				
		2018	2019	2020	2021	2022
Financial Structure	Debt ratio (%)	34.96	44.83	39.56	36.29	43.68
	Ratio of long-term capital to property, plant and equipment	721.83	351.65	358.55	554.19	282.83
Solvency	Current ratio (%)	216.40	207.05	150.25	169.04	158.01
	Quick ratio (%)	168.42	163.55	114.19	120.76	82.83
	Interest coverage ratio	75.08	6.19	52.72	102.99	66.01
Operating capacity	Turnover rate for receivables (time)	2.31	2.12	2.60	4.42	5.74
	Average number of days for cash collection	158	172	140	83	64
	Turnover rate for inventories (time)	3.45	3.40	3.04	2.69	2.07
	Turnover rate for payable (time)	3.01	3.06	2.69	2.46	2.52
	Average number of days for sales	106	107	120	136	176
	Turnover rate for property, plant and equipment (times)	11.00	3.55	2.63	4.08	3.05
	Turnover rate for total assets (times)	0.77	0.57	0.52	0.59	0.58
Profitability	Return on assets (%)	8.62	2.59	11.79	15.01	11.59
	Return on equity (%)	14.39	3.95	19.94	23.83	19.13
	Ratio of net profit before tax to paid-up capital (%)	44.39	7.07	79.33	112.43	120.11
	Profit margin (%)	11.09	4.18	22.32	25.04	19.53
	Earnings per share (NT$)	4.04	1.17	6.35	10.15	9.41
Cash flows	Cash flow ratio (%)	11.93	18.64	30.12	21.16	(註 1)
	Cash flow adequacy ratio (%)	29.98	23.70	40.18	41.24	23.19
	Cash reinvestment ratio (%)	(註 1)	(註 1)	12.20	2.99	(註 1)
Leverage	Operating leverage	5.19	(註 1)	3.03	3.04	2.90
	Financial leverage	1.02	0.92	1.04	1.02	1.03

Please explain the reasons for variations in financial ratios for the latest two years. (analysis may be exempted for items with variation less than 20%)

1. Ratio of long-term capital to property, plant and equipment decrease : Due to bought a new land for consturctue new factory.
2. Quick ratio decrease : Due to cash and equivalent cash decrease.
3. Interest coverage ratio decrease：Due bank loan increase, interest expense increase.
4. ROA decrease : Due to bought a new land for consturctue new factory.

5. ROE decrease : Due to average equity increase。
6. Cash flow ratio decrease : Due to cash flows from operating activities decrease.
7. Cash flow adequacy ratio : Due to Capex, inventories and cash dividend increase.

Note 1: All the financial information provided above was audited and certified by the independent auditors.
Note 2: If the cash flow from operating activities is a net outflow or a cumulative net outflow, the cash flow related ratio is not calculated.
Note 3: The following calculation formula shall be shown at the end of this annual report:
1. Financial structure
(1) Debt-asset ratio = Total liabilities / total assets.
(2) Ratio of long-term capital to property, plant, and equipment = (total equity + non-current liabilities) / net amount of property, plant, and equipment.
2. Solvency
(1) Current ratio = Current assets / current liabilities.
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(5) Average days for sale = 365 / Inventory turnover rate.
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(7) Total asset turnover rate = Net sales / Average total assets.
4. Profitability
(1) Return on assets (ROA) = [Net income after income tax + Interest expenses * (1 - tax rate)] / Average total assets.
(2) Return on equity = Net income after tax / Average equity.
(3) Net margin = Net income after tax / Net sales.
(4) Earnings per share = (Net income (loss) attributable to owners of parent company – Dividends on preferred shares) / Weighted average number of issued shares. (Note 4)
5. Cash flow
(1) Cash flow ratio = Net operating cash flow / Current liabilities.
(2) Net cash flow adequacy ratio = Net cash flow from operating activities in the most recent five years / (Capital expenditure + Increase in inventory + Cash dividends) in the most recent five years.
(3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross of property, plant and equipment + Long-term investment + Other non-current assets + Working capital). (Note 5)
6. Leverage:
(1) Degree of operating leverage = (Net operating revenue - Variable operating costs and expenses) / Operating income (Note 6)
(2) Degree of financial Leverage = Operating profit / (Operating profit - Interest expenses).
Note 4: In calculating the earnings per share formula above, special attention shall be paid to the following matters when measuring:
1. The weighted-average number of common shares is used as the basis, not the number of shares outstanding at the end of the year.
2. Where there is a cash capital increase or a treasury stock transaction, the weighted-average number of

shares shall be calculated taking into account the period of its circulation.

3. If there is a capital increase from earnings or capital surplus, the percentage of capital increase shall be adjusted retroactively in the calculation of prior years' and semiannual earnings per share, without regard to the period of issuance of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividends (whether paid or not) for the year shall be deducted from income after tax or added to net loss after tax. If the preferred stock is non-cumulative, the dividends shall be reduced by the income after tax if there is an income after tax; if there is a loss, no adjustment is required.

Note 5: In the cash flow analysis, special attention shall be paid to the following matters when measuring:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures represent the cash outflows in capital investments each year.
3. Increase in inventories is included only when the closing balance is greater than the opening balance, and is calculated as zero if there is a decrease in inventories at the end of the year.
4. Cash dividends include cash dividends from common stock and preferred stock.
5. Gross property, plant and equipment represents the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 6: The issuer shall distinguish each operating cost and operating expense into fixed and variable according to their nature, and if any involves estimation or subjective judgment, attention shall be paid to their reasonableness and consistency.

Note 7: If the Company’s stock has no par value or the par value of each share is not NT$10, the calculation related to its ratio to the paid-in capital in the preceding paragraph shall be the ratio to the equity attributable to owners of parent company in the balance sheet.

3. Auditing report of the supervisor or audit committee of the most recent annual financial report

Auditing Report of the Audit Committee

The board of directors has submitted the business report, financial statements (including the consolidated financial statements) and proposal for distribution of earnings for the year 2022. The financial statements (including the consolidated financial statements) have been audited by CPA Chuang Wen-Yuan and CPA Yang Ching-Chen of Deloitte & Touche and an audit report has been prepared.
We have audited the above-mentioned business report, financial statements (including consolidated financial statements), and proposal for distribution of earnings and concluded that there is no discrepancy between them, and we hereby submit them for examination in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To the 2023 Annual General Meeting of Shareholders of Symtek Automation Asia Co., Ltd.

Symtek Automation Asia Co., Ltd.

Audit Committee Convenor:

February 24, 2022

4. Financial statements for the most recent year

INDEPENDENT AUDITORS' REVIEW REPORT

To Symtek Automation Asia Co., Ltd.:

Audit opinion

We have audited the financial statements of Symtek Automation Asia Co., Ltd. and its subsidiaries, which comprise the Consolidated Statement of Financial Position as of December 31, 2022 and December 31, 2021, the Consolidated Statement of Comprehensive Income from January 1 to December 31, 2022 and from January 1 to December 31, 2021, Consolidated Statement of Change in Equity, Consolidated Statement of Cash Flows, and Notes to Consolidated Financial Statement (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements are properly drawn up in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standing Interpretations Committee (SIC) (hereinafter referred to as IFRSs) recognized and announced effectiveness by Financial Supervisory Commission (hereinafter referred to as FSC) so as to give a true and fair view of the consolidated financial position of Symtek Automation Asia Co., Ltd. and its subsidiaries as of December 2022 and 2021 and of the financial performance, changes in equity and cash flows of Symtek Automation Asia Co., Ltd. and its subsidiaries from January 1 to December 31, 2022 and 2021.

Basis for audit opinion

We conducted our audit in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the 'Accountant's responsibilities for the audit of the financial statements' section of our report. We are independent of Symtek Automation Asia Co., Ltd. and its subsidiaries in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants

and Accounting Entities, 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

The key audit matter is which that, in our professional judgment, is most significant to our review of the Consolidated Financial Statements of Symtek Automation Asia Co., Ltd. and its subsidiaries for 2022. Such matter has been considered in the process of examining the consolidated financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on the matter individually.

The following is the description of the key audit matter in the Consolidated Financial Statements of Symtek Automation Asia Co., Ltd. and its subsidiaries for 2022:

Revenue recognition

Symtek Automation Asia Co., Ltd. and its subsidiaries generate their primary revenue from the sales of custom equipment and machinery. Notably, in 2022, the Company experienced significant growth in sales to specific customers, including major customers in Symtek Taiwan's department for liquid crystal panel and semiconductor automation equipment and specific customers in Symtek China's department for printed circuit board automation equipment. These sales accounted for 41% of the combined revenue and were subject to contractual conditions that required completion of installation or delivery and customer confirmation before fulfilling performance obligations. Consequently, the auditor has identified the verification of the occurrence of these machine sales as a key audit matter.

To address this crucial issue, the auditor evaluated and tested the effectiveness of the internal control systems' design and implementation related to each type of revenue in 2022. The auditor also executed confirmatory tests on each type of sales transaction, including selecting appropriate samples for testing, reviewing shipment confirmation, installation or delivery confirmation, and invoices. Furthermore, the auditor verified whether the sales recipients and payment recipients were consistent, reviewed the status of account receivables after the due date, and checked for any significant sales returns after the review period to confirm that the transactions had indeed taken place.

Other matters

Symtek Automation Asia Co., Ltd. has prepared its Parent Company Only Financial Statements for the years ended December 31, 2022 and 2021, and we have provided our unqualified opinion on those statements for reference.

Responsibilities of management and directors for the consolidated financial statements

Management's responsibility is to prepare the consolidated financial statements present fairly, in all material respects, according to Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the International Financial Reporting Standards, International Accounting Standards, Interpretation, and Interpretation Announcement recognized and announced the effectiveness by Financial Supervisory Commission as well as maintain necessary internal control related to the preparation of the consolidated financial statements in order to ensure there is no major untrue expression on the financial statements due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of Symtek Automation Asia Co., Ltd. and its subsidiaries to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Symtek Automation Asia Co., Ltd. and its subsidiaries or to cease operations, or has no realistic alternative, but to do so.

The responsibilities of the governing body (including the audit committee) include overseeing the financial reporting process of Symtek Automation Asia Co., Ltd. and its subsidiaries.

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 GAAS 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 in the basis of these consolidated financial statements.

As part of an audit in accordance with GAAS, 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 audit opinions. Because fraud may be related to conspiracy, forgery, deliberate omission, false statement or breach of internal control, the risk of a material misstatement caused by fraud which is not identified is higher than the risk of a material misstatement caused by any error.
2. Obtain an understanding of internal controls 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 internal control effectiveness of Symtek Automation Asia Co., Ltd. and its subsidiaries.
3. Assess the appropriateness of management's use of accounting policies and the reasonability of the accounting estimate and relevant disclosure.
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 ability of Symtek Automation Asia Co., Ltd. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause Symtek Automation Asia Co., Ltd. and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the relevant notes), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. We have obtained sufficient and appropriate evidence to audit the consolidated financial information of Symtek Automation Asia Co., Ltd. and its subsidiaries to express an opinion on the Consolidated Financial Statements. We are responsible for the guidance, supervision and execution of the audit and for forming an audit opinion on Symtek Automation Asia Co., Ltd. and its subsidiaries.

We communicate with the governing body regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiency in internal controls that we identify during our audit).

We have also provided the governing body with a statement that the independence-regulated personnel of the firm to which we are affiliated have complied with the Code of Ethics for Professional Accountants with respect to independence, and communicate with the governing body about all relationships and other matters (including related protective measures) that may be considered to affect the accountant's independence.

We have determined the key audit matter for the audit of the Consolidated Financial Statements of Symtek Automation Asia Co., Ltd. and its subsidiaries for the year ended December 31, 2022 from the communications we have had with the governing body. We identified such matter in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, we decided not to communicate those matters in our auditor's report because we reasonably could expect the negative effect of such communication to outweigh the public interest.

Deloitte & Touche

CPA: Zhuang, Wen-Yuan

CPA: Yang, Qing-Zhen

FSC Approval Number:
Jin-Guan-Zheng-Shen-Zi
No. 1090347472

SFB Approval Number:
Tai-Cai-Zheng-Liu-Zi
No. 0920123784

February 25, 2023

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

CODE	ASSETS	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 6)	$ 1,468,956	19	$ 1,929,484	31
1110	Financial assets at fair value through profit or loss – current (Note 17)	-	-	116	-
1136	Financial assets at amortized cost – current (Note 8 and 32)	-	-	19,740	-
1140	Contract assets - current (Note 23 and 31)	653,588	8	408,589	7
1150	Notes receivable, net (Note 9 and 32)	30,346	1	32,392	-
1170	Accounts receivable, net (Note 9 and 23)	1,090,929	14	970,393	16
1180	Accounts receivable - related parties, net (Note 23 and 31)	93,939	1	66,763	1
1200	Other receivables (Note 9 and 30)	30,301	-	47,377	1
130X	Inventories (Note 10)	2,303,150	29	1,430,073	23
1479	Other current assets (Note 15 and 32)	175,898	2	67,080	1
11XX	Total current assets	5,847,107	74	4,972,007	80
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through profit or loss - non-current (Note 7)	120,443	2	137,019	2
1600	Property, plant and equipment (Note 12 and 32)	1,688,053	21	688,583	11
1755	Right-of-use assets (Note 13)	86,987	1	43,950	1
1821	Intangible assets (Note 14)	14,501	-	12,698	-
1840	Deferred tax assets (Note 25)	110,201	1	79,078	2
1990	Other non-current assets (Note 15)	40,895	1	246,539	4
15XX	Total non-current assets	2,061,080	26	1,207,867	20
1XXX	TOTAL	$ 7,908,187	100	$ 6,179,874	100
CODE	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term loans (Note 16)	$ 160,000	2	$ 100,000	2
2130	Contract liabilities – current (Note 23 and 31)	731,761	9	558,083	9
2170	Accounts payable (Note 18)	1,575,594	20	1,244,142	20
2200	Other payables (Note 19)	525,168	7	460,003	8
2230	Current income tax liabilities (Note 25)	134,720	2	72,705	1
2250	Provision for liabilities - current (Note 20)	109,014	1	95,078	2
2280	Lease liabilities - current (Note 13)	41,226	1	14,890	-
2321	Puttable corporate bonds within one year (Note 17)	-	-	88,050	1
2322	Long-term loans due within one year (Note 16)	20,240	-	20,240	-
2399	Other current liabilities (Note 19)	3,254	-	2,078	-
21XX	Total current liabilities	3,300,977	42	2,655,269	43
	NON-CURRENT LIABILITIES				
2540	Long-term loans (Note 16)	725,971	9	76,211	1
2570	Deferred tax liabilities (Note 25)	156,484	2	104,158	2
2580	Lease liabilities - non-current (Note 13)	30,840	-	15,283	-
2670	Total non-current liabilities (Note 19)	2,227	-	2,672	-
25XX	Total non-current liabilities	915,522	11	198,324	3
2XXX	Total liabilities	4,216,499	53	2,853,593	46
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
	Share capital				
3110	Ordinary shares	714,317	9	692,572	11
3130	Certificate of conversion to acquire new stocks	-	-	8,447	-
3100	Total share capital	714,317	9	701,019	11
3200	Capital surplus	1,506,096	19	1,428,094	23
	Retained earnings				
3310	Legal reserve	357,550	5	292,385	5
3320	Special reserve	34,942	-	34,708	-
3350	Unappropriated earnings	1,054,940	13	905,017	15
3300	Total retained earnings	1,447,432	18	1,232,110	20
3400	Other equity	(21,404)	-	(34,942)	-
31XX	Total equity attributable to owners of the Company	3,646,441	46	3,326,281	54
36XX	Non-controlling interests (Notes 11, 22 and 27)	45,247	1	-	-
3XXX	Total equity	3,691,688	47	3,326,281	54
	TOTAL	$ 7,908,187	100	$ 6,179,874	100

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

Chairman: Kuan, Chin-Kun General Manager: Wang, Nien-Ching Accounting Supervisor: Chiu, Ching-Hsiang

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021

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

CODE		2022 AMOUNT	2022 %	2021 AMOUNT	2021 %
	OPERATING REVENUE, NET (Note 23 and 31)				
4110	Sales revenue	$ 5,761,799	100	$ 4,905,620	100
	OPERATING COSTS (Note 10 and 24)				
5110	Cost of goods sold	(4,120,733)	(71)	(3,305,810)	(67)
5900	GROSS PROFIT	1,641,066	29	1,599,810	33
	OPERATING EXPENSES (Note 9, 23, 24 and 31)				
6100	Selling and marketing expenses	(143,677)	(2)	(124,160)	(3)
6200	General and administrative expenses	(331,715)	(6)	(354,346)	(7)
6300	Research and development expenses	(344,616)	(6)	(314,596)	(6)
6450	Reversal of expected credit loss	22,329	-	16,735	-
6000	Total operating expenses	(797,679)	(14)	(776,367)	(16)
6900	PROFIT FROM OPERATIONS	843,387	15	823,443	17
	NON-OPERATING INCOME AND EXPENSES (Note 24)				
7100	Interest income	19,597	-	13,449	-
7190	Other income	19,711	-	24,384	-
7020	Other gains and losses	20,168	1	(14,654)	-
7050	Financial cost	(15,369)	-	(11,239)	-
7000	Total non-operating income and expenses	44,107	1	11,940	-
7900	PROFIT BEFORE INCOME TAX	887,494	16	835,383	17
7950	INCOME TAX EXPENSE (Note 25)	(221,161)	(4)	(183,737)	(4)
8200	NET PROFIT FOR THE YEAR	666,333	12	651,646	13
	OTHER COMPREHENSIVE INCOME				
8310	Items that will not be reclassified subsequently to profit or loss				

8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income (Note 30)	($ 1,576)	-	$ 5,393	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operations	17,017	-	(7,034)	-
8399	Income taxes related to items that may be reclassified (Note 25)	(3,403)	-	1,406	-
8300	Other comprehensive income (loss) for the year, net of income tax	12,038	-	(235)	-
8500	TOTAL COMPREHENSIVE INCOME	$ 678,371	12	$ 651,411	13
	NET PROFIT ATTRIBUTABLE TO:				
8610	Owner of the Company	$ 666,994	12	$ 651,646	13
8620	Non-controlling interests	(661)	-	-	-
8600		$ 666,333	12	$ 651,646	13
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
8710	Owner of the Company	$ 679,032	12	$ 651,411	13
8720	Non-controlling interests	(661)	-	-	-
8700		$ 678,371	12	$ 651,411	13
	EARNINGS PER SHARE (Note 26)				
9750	Basic	$ 9.41		$ 10.15	
9850	Diluted	$ 9.28		$ 9.50	

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

Chairman: Kuan, Chin-Kun
General Manager: Wang, Nien-Ching
Accounting Supervisor: Chiu, Ching-Hsiang

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code		Equity attributable to owners of parent												Non-controlling interest	Total equity
		Shares				Retained earnings				Other equity					
		Ordinary shares	Certificate of conversion to acquire new stocks	Total	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of the financial statements of foreign operations	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	Total	Total equity		
A1	Balance at January 1, 2021	$ 603,156	$ -	$ 603,156	$ 735,707	$ 254,459	$ 48,199	$ 537,096	$ 839,754	($ 25,212)	($ 9,495)	($ 34,707)	$ 2,143,910	$ -	$ 2,143,910
	Appropriation of the 2020 earnings														
B1	Legal reserve	-	-	-	-	37,926	-	(37,926)	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	(13,491)	13,491	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(259,290)	(259,290)	-	-	-	(259,290)	-	(259,290)
D1	Net profit for 2021	-	-	-	-	-	-	651,646	651,646	-	-	-	651,646	-	651,646
D3	Other comprehensive income (loss) for 2021, net of income tax	-	-	-	-	-	-	-	-	(5,628)	5,393	(235)	(235)	-	(235)
D5	Total comprehensive income for 2021	-	-	-	-	-	-	651,646	651,646	(5,628)	5,393	(235)	651,411	-	651,411
E1	Seasoned equity offering	40,000	-	40,000	340,000	-	-	-	-	-	-	-	380,000	-	380,000
I1	Conversion of convertible bonds	37,146	8,447	45,593	258,031	-	-	-	-	-	-	-	303,624	-	303,624
J1	Share exchange issuance of common shares	12,270	-	12,270	94,356	-	-	-	-	-	-	-	106,626	-	106,626
Z1	Balance at December 31, 2021	692,572	8,447	701,019	1,428,094	292,385	34,708	905,017	1,232,110	(30,840)	(4,102)	(34,942)	3,326,281	-	3,326,281
	Appropriation of the 2021 earnings														
B1	Legal reserve	-	-	-	-	65,165	-	(65,165)	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	234	(234)	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(450,172)	(450,172)	-	-	-	(450,172)	-	(450,172)
D1	Net profit for 2022	-	-	-	-	-	-	666,994	666,994	-	-	-	666,994	(661)	666,333
D3	Other comprehensive income (loss) for 2022, net of income tax	-	-	-	-	-	-	-	-	13,614	(1,576)	12,038	12,038	-	12,038
D5	Total comprehensive income for 2022	-	-	-	-	-	-	666,994	666,994	13,614	(1,576)	12,038	679,032	(661)	678,371
I1	Conversion of convertible bonds	21,745	(8,447)	13,298	74,810	-	-	-	-	-	-	-	88,108	-	88,108
Q1	Disposal of financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	(1,500)	(1,500)	-	1,500	1,500	-	-	-
M7	Recognition of changes in ownership equity of subsidiary	-	-	-	3,192	-	-	-	-	-	-	-	3,192	-	3,192
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	45,908	45,908
Z1	Balance at December 31, 2022	$ 714,317	$ -	$ 714,317	$ 1,506,096	$ 357,550	$ 34,942	$ 1,054,940	$ 1,447,432	($ 17,226)	($ 4,178)	($ 21,404)	$ 3,646,441	$ 45,247	$ 3,691,688

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

Chairman: Kuan, Chin-Kun General Manager: Wang, Nien-Ching Accounting Supervisor: Chiu, Ching-Hsiang

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

CODE		2022	2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 887,494	$ 835,383
A20010	Adjustments for:		
A20100	Depreciation expenses	56,920	38,249
A20200	Amortization expenses	23,433	19,830
A20300	Reversal of expected credit loss	(22,329)	(16,735)
A20400	Net gain on financial assets and liabilities at fair value through profit or loss	-	(350)
A20900	Financial cost	15,369	11,239
A21200	Interest income	(19,597)	(13,449)
A21300	Dividend income	(3,590)	(1,459)
A22500	Losses (gains) on disposal of property, plant and equipment	384	(118)
A23100	Net gain/loss on disposal of financial assets	(1,777)	-
A23700	(Reversal of) inventory write-down	91,657	(39,322)
A24100	Loss on foreign currency exchange	54	1,254
A29900	Other items	(130)	-
A30000	Changes in operating assets and liabilities		
A31125	Contract assets	(239,238)	(413,841)
A31130	Notes receivable	2,406	(13,710)
A31140	Notes receivable - related parties	-	2,171
A31150	Accounts receivable	(96,190)	217,591
A31160	Accounts receivable - related parties	(27,044)	(61,476)
A31180	Other receivables	17,076	(10,385)
A31200	Inventories	(956,432)	(341,457)
A31240	Other current assets	(90,698)	(25,642)
A32125	Contract liabilities	169,068	175,518
A32150	Accounts payable	326,295	268,420
A32180	Other payables	53,542	125,007
A32200	Provision for liabilities - current	13,040	16,605
A32230	Other current liabilities	1,175	379
A33000	Cash generated from operations	200,888	773,702
A33100	Interest received	19,597	13,449
A33300	Interest paid	(13,733)	(7,588)
A33500	Income tax paid	(140,748)	(101,206)
AAAA	Net cash generated from operating activities	66,004	678,357
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	$ -	($ 1,000)
B00020	Sale of financial assets measured at fair value through other comprehensive income	15,000	-

B00040	Acquisition of financial assets measured at amortized cost	-	(19,740)
B00050	Disposal of financial assets measured at amortized cost	19,740	-
B00100	Acquisition of financial assets measured at fair value through profit or loss	(8,487)	-
B00200	Sale of financial assets measured at fair value through profit or loss	10,264	-
B02700	Acquisition of property, plant and equipment	(805,764)	(7,137)
B02800	Disposal of property, plant and equipment	80	584
B03700	(Increase) decrease in refundable deposits	(5,142)	1,414
B04500	Payments for intangible assets	(6,464)	(6,878)
B06600	(Increase) decrease in other financial assets	(29,733)	864
B06700	Increase in other non-current assets	(5,421)	(22,583)
B07300	Increase in prepayments for land and buildings	-	(211,950)
B07600	Dividends received	3,590	1,459
BBBB	Net cash used in investing activities	(812,337)	(264,967)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	500,000	200,000
C00200	Decrease in short-term borrowings	(440,000)	(297,730)
C01600	Proceeds from long-term borrowings	670,000	-
C01700	Repayment of long-term loans	(20,240)	(20,240)
C03000	(Decrease) increase in guarantee deposits	(221)	217
C04020	Repayment of the principal portion of lease liabilities	(33,526)	(17,477)
C04300	Decrease in other non-current liabilities	(228)	(869)
C04500	Dividends paid	(450,172)	(259,290)
C04600	Seasoned equity offering	-	380,000
C05800	Changes in non-controlling interests	49,100	-
CCCC	Net cash generated from (used in) financing activities	274,713	(15,389)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	11,092	(4,910)
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(460,528)	393,091
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,929,484	1,536,393
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,468,956	$ 1,929,484

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

Chairman: Kuan, Chin-Kun

General Manager: Wang, Nien-Ching

Accounting Supervisor: Chiu, Ching-Hsiang

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of New Taiwan dollars, unless stated otherwise)

1. GENERAL INFORMATION

Symtek Automation Asia Co., Ltd. (hereinafter referred to as "the Company") was established in October 1999 in Taoyuan City, Taiwan, and is mainly engaged in the manufacture and sale of automation equipment and related products.

The Company's stock has been officially OTC-listed on the Taipei Exchange (TPEx) since April 2017 and was discontinued on January 19, 2021, and was exchange-listed on the Taiwan Stock Exchange (TWSE) on the same day.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on February 24, 2023.

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

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

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 - "Disclosure of Material Accounting Policy Information"	January 1, 2023 (Note 1)
Amendments to IAS 8 - "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 - "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: This revision applies to reporting periods beginning on or after January 1, 2023.

Note 2: This revision applies to accounting estimate changes and accounting policy changes occurring during reporting periods beginning on or after January 1, 2023.

Note 3: Except for the temporary differences related to deferred income taxes recognized for lease and decommissioning obligations as of January 1, 2022, this revision applies to transactions occurring on or after January 1, 2022.

As of the date of issuance of this consolidated financial report, the Company has evaluated the revised criteria and interpretations and concluded that they will not have a significant impact on its financial condition and financial performance.

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

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

Note 1: Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual reporting periods beginning after the respective dates.

Note 2: The seller and lessee should retrospectively apply the amendments to IFRS 16 to sale and leaseback transactions entered into after the initial application of IFRS 16.

As of the date of adoption of this consolidated financial statements, the Consolidated Company is still evaluating the impact of the amendments to other standards and interpretations on the financial position and financial performance, which will be disclosed when the evaluation is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs approved and issued by the FSC.

ii. Basis of Preparation

Except for financial instruments measured at fair value and net defined benefit liabilities recognized by deducting the fair value of plan assets from the present value of defined benefit obligations, this consolidated financial report is prepared on a historical cost basis.

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

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs are unobservable inputs for the asset or liability.

iii. Standard in determining whether the asset or liability are current or non-current

Current assets include:

1. assets held mainly for transaction purposes;
2. assets to be realized within 12 months of the asset balance sheet; and
3. cash and cash equivalents (but not including cash used to exchange or clear liability within 12 months of the asset balance sheet).

Current liabilities include:

1. liabilities held mainly for transaction purposes;
2. liabilities due for payment within 12 months after the balance sheet date (current liabilities are classified as current even if a long-term refinancing or rescheduling agreement is completed after the balance sheet date and before the adoption of the financial statements); and
3. the business entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. However, the terms of the liabilities may be settled by issuing equity instruments at the option of the counter-parties, which does not affect the classification.

Assets or liabilities not classified within the above definitions will be classified as non-current assets and liabilities.

iv. 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), and the consolidated statement of comprehensive income includes the operating income or loss of the acquired or disposed subsidiaries for the period from the date of acquisition or up to the date of disposal. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income of the subsidiaries is attributed to the owners of the Company and non-controlling interests, even if non-controlling interests become a loss balance as a result.

When the change in the ownership interest of the Consolidated Company in a subsidiary does not result in a loss of control, it is treated as an equity transaction. The difference between the adjusted amount of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity. The difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and vested in the owners of the Company.

See Note 11 and Tables 6 and 7 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

v. Foreign currency

When preparing financial statements, each entity translates transactions in currencies other than the functional currency of the entity (foreign currencies) into the functional currency at the exchange rates prevailing on the transaction dates.

Monetary items denominated in foreign currencies are translated at the closing rate at each balance sheet date. Exchange differences arising from the settlement of monetary items or the translation of monetary items are recognized in profit or loss in the period in which they occur.

Non-monetary items measured at fair value in foreign currencies are translated at the exchange rates prevailing on the date when the fair value was determined, and the resulting exchange differences are recognized in profit or loss in the current period. However, if the change in fair value is recognized in other comprehensive income, the resulting exchange differences are recorded as other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rates ruling at the dates of transactions and are not retranslated.

For the purpose of preparing consolidated financial statements, assets and liabilities of foreign operations (including subsidiaries that operate in countries or currencies different from those of the Company) are translated into New Taiwan Dollars at the exchange rates prevailing on each balance sheet date. Income and expense items are translated at the average exchange rate for the period and the resulting exchange differences are included in other comprehensive income (and are separately attributed to the Company's owners and non-controlling interests).

vi. Inventory

Inventories include raw materials, work in process and finished goods. Inventories are measured at the lower of cost or net realizable value. Comparisons between cost and net realizable value are made on an item-by-item basis, except for inventories of the same type. Net realizable value is the estimated selling price under normal circumstances, less estimated costs to complete and estimated costs to sell. The cost of inventories is calculated using the weighted-average method.

vii. Property, plant and equipment

Property, plant, and equipment are recognized by cost, and then measured by cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction are recognized at cost less accumulated impairment losses. Cost includes fees for professional services and borrowing costs eligible for capitalization. Samples of these assets are measured at the lower of cost or net realizable value when the assets are tested for proper functioning before they reach their intended use, and the sales price and cost are recognized in profit or loss. These assets are classified into the appropriate categories of property, plant and equipment and depreciation commences when they are completed and in their intended state of use.

Self-owned land is not depreciated. Property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. The Consolidated Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in applicable accounting estimates.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss when property, plant, and equipment are derecognized.

viii. Intangible assets

1. Separately acquired

   Intangible assets with limited duration acquired separately were initially measured at cost and subsequently at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized over their useful lives on a straight-line basis and the estimated useful lives, residual values and amortization method are reviewed at least at each year-end and the effect of changes in applicable accounting estimates is deferred. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

2. Derecognition

   The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss of the year when intangible assets are derecognized.

ix. Property, plant and equipment, right-of-use assets and intangible assets

At each balance sheet date, the Consolidated Company assesses whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may be impaired. If there is any indication of impairment, the recoverable amount of the asset is estimated, and if the recoverable amount of an individual asset cannot be estimated, the Consolidated Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and whenever there is an indication of impairment.

The recoverable amount is the higher fair value less selling cost and use value. If the recoverable amount of an individual asset or cash generating unit is less than its carrying amount, the carrying amount of the asset or cash generating unit shall be reduced to its recoverable amount, with the impairment loss recognized in profit or loss.

When the following recoverable amount increases, the carrying amount of the asset, cash generating unit or contract asset increases to the amount that can be recovered after the revision. However, the increased carrying amount shall not exceed that (minus amortization or depreciation) determined by the asset, cash generating unit or contract

asset where the impairment loss was not recognized in the previous year. The reversal of impairment loss is recognized in profit or loss.

x. Financial instruments

Financial assets and financial liabilities are recognized in the Consolidated Statement of Financial Position when the Consolidated Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets and financial liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

The transaction practice of the financial assets adopts accounting recognition and de-recognition on the transaction day.

(1) Measurement types

The types of financial assets held by the Consolidated Company are financial assets at fair value through profit or loss, financial assets at amortized cost, investments in debt instruments at fair value through other comprehensive income, and investments in equity instruments at fair value through other comprehensive income.

A. Financial assets measured at FVTPL

Financial assets measured at FVTPL includes financial assets mandatorily measured at FVTPL. Financial assets mandatorily measured at FVTPL include investments in equity instruments not designated as measured at FVTOCI, and investments in debt instruments that do not qualify for classification as measured at amortized cost or measured at FVTOCI.

Financial assets measured at fair value through profit or loss are measured at fair value, with remeasurement gains or losses recognized in other gains and losses. For the determination of fair value, please refer to Note 30.

B. Financial assets at amortized cost

The Consolidated Company's investments in financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

a. they are held within an operating model whose objective is to hold the financial assets to collect the contractual cash flows; and
b. the contractual terms give rise to cash flows at a specific date, which are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost and time deposits with original maturity of more than 3 months) are measured at amortized cost using the effective interest method to determine the total carrying amount less any impairment loss after initial recognition, with any foreign currency exchange gain or loss recognized in profit or loss. Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except in the following two cases:

a. Interest income on credit-impaired financial assets acquired or created is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.
b. Interest income on credit-impaired financial assets that are not acquired or originated but subsequently become credit-impaired is computed using the effective interest rate multiplied by the amortized cost of the financial assets from the next reporting period after the impairment.

A credit-impaired financial asset is one for which the issuer or the debtor has experienced significant financial difficulties, defaulted, it is probable that the debtor will declare bankruptcy or other financial reorganization, or an active market for the financial asset has disappeared due to financial difficulties.

Cash equivalents include time deposits that are highly liquid, readily convertible into known amounts of cash and subject to a low risk of

changes in value within 3 months from the date of acquisition and are used to meet short-term cash commitments.

C. Investments in debt instruments measured at FVTOCI

The Consolidated Company's investments in debt instruments are classified as financial assets measured at fair value through other comprehensive income if both of the following conditions are met:

a. they are held under an operating model whose objective is achieved through the receipt of contractual cash flows and the sale of financial assets; and
b. the contractual terms give rise to cash flows at a specific date, which are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments measured at fair value through other comprehensive income are measured at fair value. Changes in the carrying amounts of interest income, foreign currency exchange gains or losses, and impairment losses or reversal gains that are accounted for by the effective interest method are recognized in profit or loss, while the remaining changes are recognized in other comprehensive income and reclassified to profit or loss when the investments are disposed of.

D. Investment in equity instruments measured at FVTOCI

At initial recognition, the Consolidated Company has an irrevocable option to designate investments in equity instruments that are not held for trading and for which there is contingent consideration recognized by the acquirer of the business combination to be measured at FVTOCI. Investments in equity instruments measured at FVTOCI are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. On disposal of investments, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

Dividends on investments in equity instruments measured at FVTOCI are recognized in profit or loss when the right to receive payments from the Consolidated Company is established, unless it is clear that the dividend represents a partial recovery of the cost of the investment.

(2) Impairment of financial assets and contract assets

The Consolidated Company assesses impairment losses on financial assets measured at fair value through profit or loss, financial assets measured at amortized cost (including accounts receivable), investments in debt instruments measured at fair value through other comprehensive income, operating lease receivables and contract assets at each balance sheet date based on expected credit losses.

Accounts receivable, operating lease payments receivable and contract assets are recognized as an allowance for loss based on expected credit losses during the period of duration. Other financial assets are first evaluated to determine whether there is a significant increase in credit risk since initial recognition. If not, they are recognized as an allowance for loss based on expected credit losses over 12 months, and if so, based on expected credit losses over the duration period.

Expected credit losses represent the weighted-average credit losses based on the risk of default. 12-month expected credit losses represent the expected credit losses arising from possible defaults of financial instruments within 12 months after the reporting date. The 12-month expected credit losses represent the expected credit losses arising from all possible defaults of the financial instruments during the 12-month period after the reporting date.

For internal credit risk management purposes, the Consolidated Company determines that a financial asset is in default if there is internal or external information indicating that it is no longer probable that the debtor will settle the obligation without considering the collateral held.

The carrying amount of all financial assets is reduced through an allowance account, except for the allowance for losses on investments in debt instruments measured at fair value through other comprehensive income, which is recognized in other comprehensive income and the carrying amount is not reduced.

(3) Derecognition of financial assets

The Consolidated Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets have lapsed or when the financial assets have been transferred and substantially all the

risks and rewards of ownership of the assets have been transferred to other enterprises.

When financial assets are derecognized in their entirety at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. When investments in equity instruments measured at fair value through other comprehensive income are derecognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instruments

Debts and equity instruments issued by the Consolidated Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of equity instruments.

Equity instruments issued by the Consolidated Company are recognized at the amount of the acquisition price less direct issuance costs.

The Company's own equity instruments are recognized and derecognized under equity. The purchase, sale, issuance or cancellation of the Company's own equity instruments are not recognized in profit or loss.

3. Financial liability

(1) Subsequent measurement

The financial liabilities of the Consolidated Company are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liability

Any difference between the carrying amount of a financial liability at the time of derecognition and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4. Convertible bonds

The components of compound financial instruments (convertible bonds) issued by the Consolidated Company are classified as financial liabilities and equity, respectively, on initial recognition, based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument and is measured at amortized cost using the effective interest method until the date

of conversion or maturity. Liability components that are embedded in non-equity derivatives are measured at fair value.

The conversion right classified as equity is equal to the remaining amount of the fair value of the compound instrument as a whole less the fair value of the liability component determined separately and is recognized in equity, net of the income tax effect, and is not subsequently measured. When the conversion right is exercised, the related liability component and the amount in equity are transferred to equity and capital surplus - issue premium. If the conversion right of the convertible bonds is not executed on the maturity date, the amount recognized in equity will be transferred to capital surplus - issue premium.

Transaction costs related to the issuance of convertible bonds are allocated to the liability (included in the carrying amount of the liability) and equity components (included in equity) of the instrument in proportion to the total apportioned price.

xi. Provision for liabilities

The amount recognized as provision for liabilities (including contractual obligations arising from service concession agreements specifically stating that the infrastructure shall be maintained or restored prior to its return to the grantor and all types of payments legally imposed by the government) is the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risk and uncertainty of the obligation. Provision for liabilities is measured at the discounted value of the estimated cash flows from the settlement of the obligation.

Warranty

The warranty obligation to conform to the specifications of the agreement is based on management's best estimate of the expenses required to settle the Consolidated Company's obligations and is recognized as revenue from the related merchandise.

xii. Income recognition

The Consolidated Company allocates the transaction price to each performance obligation after the performance obligation is identified in the customer contract and recognizes revenue when each performance obligation is satisfied.

For contracts with a time lag between the transfer of goods or services and the receipt of consideration of less than one year, no adjustment is made to the transaction price for significant financial components.

Merchandise sales revenue

Merchandise sales revenue is derived from the sale of equipment and machinery. Depending on the nature of the product, sales revenue and accounts receivable/contract assets are recognized when the customer has satisfied the obligation to control the product upon delivery or installation of the machine, respectively, and are transferred to accounts receivable when the remaining obligation is satisfied. Prepayments are recognized as contract liabilities until the delivery or installation of the machine is confirmed.

Upon processing with materials supplied, control of the processed products is not transferred, therefore, no revenue is recognized upon materials supplied.

xiii. Lease

The Consolidated Company assesses whether a contract is (or contains) a lease at the contract inception date.

1. The Consolidated Company as lessor

   If the lease clauses transfer nearly all risks and compensation associated with the assets to the lessee, the lease shall be classified as finance lease. All other leases shall be classified as business lease.

   Under finance leases, lease payments consist of fixed payments, and net lease investments are measured as the sum of the present value of lease payments receivable and unguaranteed residual value plus original direct costs and expressed as finance lease receivables. Finance income is apportioned to each accounting period to reflect the fixed rate of return that the Consolidated Company's outstanding net lease investments can earn in each period.

   Under operating leases, lease payments, net of lease incentives, are recognized as income on a straight-line basis over the term of the relevant lease. The original direct cost incurred in acquiring an operating lease is added to the carrying amount of the subject asset and recognized as an expense on a straight-line basis over the lease term.

2. The Consolidated Company as lessee

   Right-of-use assets and lease liabilities are recognized at the inception date of the lease, except for leases of low-value subject assets to which a recognition exemption applies and short-term leases where lease payments are recognized as an expense on a straight-line basis over the lease term.

   Right-of-use assets are measured initially at cost (comprising the original measurement of the lease liability, lease payments made prior to the

commencement date of the lease less lease incentives received, original direct cost and estimated cost to reinstate the subject asset) and subsequently at cost less accumulated depreciation and accumulated impairment losses, with adjustments for remeasurement of the lease liability. Right-of-use assets are presented separately on Consolidated Statement of Financial Position.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life or the end of the lease term.

Lease obligations are measured initially at the present value of the lease payments (including fixed benefits and real fixed benefits, less lease incentives received). If the implied interest rate of the lease is readily determinable, the lease payments are discounted using that rate. If the rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is amortized over the lease term. If there is a change in future lease payments due to changes in the lease period or in the index or rate used to determine the lease payments, the Consolidated Company remeasures the lease liability and adjusts the right-of-use asset accordingly, but if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately in the balance sheet.

xiv. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an eligible asset are included as part of the cost of the asset until substantially all activities necessary to bring the asset to its intended use or sale condition have been completed.

Investment income earned on temporary investments of specific borrowings made to fund qualifying capital expenditure is deducted from the borrowing costs that are eligible for capitalization.

Except as described above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

xv. Employee benefits

1. Short-term employee benefits

The liability related to short-term employee benefits is measured as the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

Defined benefit pension plans are recognized as expenses over the period of service of the employees.

3. Other long-term employee benefits

The accounting treatment of other long-term employee benefits is the same as that of defined benefit pension plans, except that the related remeasurements are recognized in profit or loss.

xvi. Income tax

Income tax expense is the sum of current income taxes and deferred income taxes.

1. Current income tax

The Consolidated Company determines the current income (loss) in accordance with the regulations of each jurisdiction in which it files income tax returns and calculates the income tax payable (recoverable) accordingly.

The income tax on undistributed earnings under the Income Tax Act of the ROC is recognized in the year of the resolution of the shareholders' meeting.

The adjustment of income tax payable in the previous year shall be included in the current income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary differences between the carrying amount of assets and liabilities on the books and the basis for the calculation of taxable income.

Deferred tax liabilities are generally recognized for all temporary differences in taxable income, while deferred tax assets are recognized when there is a high likelihood that the taxable income will be used as a tax deduction for deductible temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Consolidated Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary

differences to be realized and the temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced for those where it is no longer probable that there will be sufficient taxable income to allow all or part of the assets to be recovered. Deferred tax assets not previously recognized as such are also reviewed at each balance sheet date and the carrying amount is increased for those where it is probable that taxable income will be available to recover all or part of the assets.

Deferred tax assets and liabilities are measured by the tax rate of the expected liabilities settlement or assets realization in the current period, according to the tax rate and the tax law which have been legalized or substantively legalized on the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences of the way in which the Consolidated Company is expected to recover or pay off the carrying amount of its assets and liabilities on the balance sheet date.

3. Current and deferred tax

The current and deferred tax are recognized in profit or loss, provided that the current and deferred tax in relation to the items recognized in other comprehensive income or directly included in equity are recognized in other comprehensive income or directly included in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When the Consolidated Company adopts an accounting policy, management must make relevant judgments, estimates, and assumptions of relevant information that is difficult to obtain from other sources based on historical experience and other relevant factors.

The management will review the estimates and underlying assumptions on an ongoing basis. If an amendment to an estimate affects only the current period, the amendment is recognized in the period in which it is made. If an amendment to an accounting estimate affects both the current and future periods, the amendment is recognized in both the current and future periods.

Key sources of estimation and assumption uncertainty

i. Estimated impairment of financial assets and contract assets

Estimated impairment of accounts receivable, investments in debt instruments and contract assets are based on the Consolidated Company's assumptions about default

rates and expected loss rates. The Consolidated Company considers historical experience, current market conditions and forward-looking information to make assumptions and select input values for the impairment assessment. Please refer to Note 9 for the significant assumptions and inputs used. If actual future cash flows are less than expected, a significant impairment loss could result.

ii. Impairment of Inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to complete and estimated costs to complete the sale, and is based on current market conditions and historical sales experience for similar products; changes in market conditions may materially affect the results of these estimates.

6. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 147	$ 194
Checking accounts and demand deposits	919,195	1,668,239
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposit	549,614	261,051
	$ 1,468,956	$ 1,929,484

The interest rate ranges for bank time deposits for the years ending December 31, 2022 and 2021 are both 2.025% to 2.100% per annum.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments

	December 31, 2022	December 31, 2021
Non-current		
Domestic investment		
Listed shares		
SynPower Co., Ltd.	$ 110,813	$ 105,159
Unlisted shares		
New Smart Technology Co., Ltd.	8,630	30,860
Ever Radiant Inc.	-	-
Gtalent Co., Ltd.	1,000	1,000
	$ 120,443	$ 137,019

The Consolidated Company invests under a medium- to long-term strategy and expects to earn profits from its long-term investments. The management of the Consolidated Company believes that it would be inconsistent with the aforementioned long-term investment plan to include short-term fair value fluctuations of these investments in profit or loss, and therefore has elected to designate these investments as measured at fair value through other comprehensive income.

The management of the Consolidated Company considered that the fair value of the stock investment in Ever Radiant Inc. could not be measured reliably. The stock investment was valued as a receivable and an impairment loss of $8,953 thousand was recognized as of December 31, 2019, the acquisition date, because of the decline in the assessed value of the stock investment.

On May 17, 2021, the Consolidated Company issued 1,227 thousand common shares at a premium of NT$86.9 per share to SynPower Co., Ltd. The SynPower Co., Ltd. also issued 2,700 thousand common shares to the Company as consideration for the transfer of each other's shares, which was designated as fair value through other comprehensive income because the acquisition of SynPower's shares is a medium- to long-term strategic purpose investment (see Note 30).

On August 11, 2021, the Company invested in Gtalent Co., Ltd. for $1,000 thousand, which is designated as an investment at fair value through other comprehensive income and loss because it is a medium- to long-term strategic investment in view of the Company's diversification and expansion of its human resources recruitment pipeline.

In July 2022, the Consolidated Company adjusted its investment portfolio to diversify risks and sold a portion of its ordinary shares in New Smart Technology Co., Ltd. for a fair value of $15,000 thousand. The unrealized fair value loss of $1,500 thousand on other equity - financial assets measured at fair value through other comprehensive income was then transferred to retained earnings.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2022	December 31, 2021
Current		
Time deposits with original maturities of more than 3 months	$ -	$ 19,740

As of December 31, 2021, the interest rate range for time deposits with original maturity over 3 months is 0.09% per annum.

Please refer to Note 32 for information relating to pledged assets.

9. NOTES RECEIVABLE, ACCOUNT RECEIVABLE AND OTHER RECEIVABLES

	December 31, 2022	December 31, 2021
Notes receivable - Arising from operating activities		
At amortized cost		
Gross carrying amount	$ 30,346	$ 32,392
Less: Allowance for impairment loss	-	-
	$ 30,346	$ 32,392
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 1,052,809	$ 953,414
Less: Allowance for impairment loss	(91,465)	(108,278)
	961,344	845,136
At fair value through other comprehensive income	129,585	125,257
	$ 1,090,929	$ 970,393
Other receivables		
Income tax refund receivable	$ -	$ 1,044
Transfer of accounts receivable factoring	30,301	46,333
	$ 30,301	$ 47,377

Accounts receivable

i. Receivables measured at amortized cost

To mitigate credit risk, the Consolidated Company's management assigns a dedicated team to determine credit limits, approve credit facilities and other monitoring procedures to ensure that appropriate actions have been taken to collect overdue receivables. In addition, the Consolidated Company reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible receivables. Accordingly, the Consolidated Company's management believes that the credit risk of the Consolidated Company has been significantly reduced.

The Consolidated Company recognizes allowance for loss on accounts receivable on the basis of lifetime expected credit losses, which are calculated using a reserve matrix that takes into account the customer's past default history, current financial condition, industry economic conditions, and GDP forecast and industry outlook. The

Consolidated Company uses an allowance matrix, which takes into account the customer's past defaults, current financial condition, the economic situation of the industry, as well as the GDP forecast and industry outlook. Because the Company's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the allowance matrix does not further differentiate between customer groups and only uses the number of days that the accounts receivable is past due to determine the expected credit losses rate.

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

ii. Accounts receivable at fair value through other comprehensive income

Accounts receivable at fair value through other comprehensive income

For certain accounts receivable from customers, the Consolidated Company decides to sell them to banks on a non-recourse basis or not, depending on the working capital situation. The Consolidated Company manages these accounts receivable by collecting contractual cash flows and selling financial assets for this purpose. Therefore, such accounts receivable are measured at fair value through other comprehensive income.

The following table details the loss allowance of note and trade receivables based on the Consolidated Company's allowance matrix:

December 31, 2022

	No signs of default by counterparties						
	Not Past Due	Due in 1-90 Days	Due in 91-180 Days	Due in 181-270 Days	Due in 271-365 Days	Due in More than 366 Days	Total
Expected credit loss	0.35%	7.04%	21.72%	16.49%	49.30%	100%	
Gross carrying amount	$ 919,545	$ 149,905	$ 53,806	$ 23,757	$ 7,150	$ 58,577	$ 1,212,740
Allowance for impairment loss (lifetime ECLs)	(3,198)	(10,560)	(11,688)	(3,917)	(3,525)	(58,577)	(91,465)
Amortized cost	$ 916,347	$ 139,345	$ 42,118	$ 19,840	$ 3,625	$ -	$ 1,121,275

December 31, 2021

	No signs of default by counterparties						
	Not Past Due	Due in 1-90 Days	Due in 91-180 Days	Due in 181-270 Days	Due in 271-365 Days	Due in More than 366 Days	Total
Expected credit loss	0.97%	7.67%	18.22%	36.44%	63.67%	100%	
Gross carrying amount	$ 812,386	$ 87,343	$ 106,973	$ 36,931	$ 18,452	$ 48,978	$ 1,111,063
Allowance for impairment loss (lifetime ECLs)	(7,910)	(6,698)	(19,486)	(13,457)	(11,749)	(48,978)	(108,278)
Amortized cost	$ 804,476	$ 80,645	$ 87,487	$ 23,474	$ 6,703	$ -	$ 1,002,785

Information on the changes in the allowance for losses on notes and accounts receivable is as follows:

	2022	2021
Opening balance	$ 108,278	$ 131,318

Less: Actual write-offs for the year	-	(384)
Less: Reversal of impairment loss for the year	(17,972)	(22,065)
Foreign currency translation differences	1,159	(591)
Closing balance	$ 91,465	$ 108,278

The Consolidated Company entered into a non-recourse sale contract with the bank for the accounts receivable arising from the sale of a portion of the consolidated receivable on credit. For information on the Consolidated Company's sale of accounts receivable, please refer to Note 30 (v), "Transfer of financial assets".

For the amount of notes receivable pledged as collateral for loans, please refer to Note 32.

10. INVENTORIES

	December 31, 2022	December 31, 2021
Finished goods	$ 232	$ 9,952
Work-in-process	2,075,283	1,271,192
Raw materials	227,635	148,929
	$ 2,303,150	$ 1,430,073

The cost of goods sold in fiscal 2022 and 2021 included $91,657 thousand of inventory write-down and $39,322 thousand of reversal of inventory write-down, respectively. Reversal of inventory write-down was due to the disposal of inventories that had declined in value.

11. SUBSIDIARIES

i. Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31, 2022	Proportion of Ownership (%) December 31, 2021	Note
Symtek Automation Asia Co., Ltd.	Symtek Automation Ltd. (SAL)	Investment	100.00%	100.00%	-
SAL	Symtek Automation China Co., Ltd. (Symtek China)	Equipment manufacturing and sales	100.00%	100.00%	-
Symtek China	Symtek Technology Jiangsu Co., Ltd. (Symtek Jiangsu)	Equipment manufacturing and sales	60.00%	-	(1), (2)

1. In February 2022, Symtek China completed the registration of Symtek Jiangsu. The registered capital of Symtek Jiangsu was RMB54,000 thousand, and the

paid-in capital was RMB6,000 thousand, with Symtek China holding a 100% stake. In August 2022, Symtek Jiangsu changed its registered capital to RMB90,000 thousand and carried out a cash increase of RMB21,000 thousand. As Symtek China did not subscribe to the cash increase shares of Symtek Jiangsu in proportion to its shareholding, its stake decreased from 100% to 60% by September 2022. As of December 31, 2022, Symtek Jiangsu's paid-in capital was RMB27,000 thousand.

2. Subsidiary with significant non-controlling interest

ii. Information on subsidiaries with significant non-controlling interests:

Subsidiary Name	Main Business Location	Percentage of Non-controlling Interests Held and Voting Rights
Symtek Technology Jiangsu Co., Ltd. (Symtek Jiangsu)	Jiangsu, China	40%

Subsidiary Name	Income Attributable to Non-controlling Interests 2022	Non-controlling Interests December 31, 2022
Symtek Technology Jiangsu Co., Ltd. (Symtek Jiangsu)	($ 661)	$ 45,247

The summarized financial information of the following subsidiaries is prepared based on amounts before elimination of intercompany transactions:

Symtek Technology Jiangsu Co., Ltd. (Symtek Jiangsu)

	December 31, 2022
Current assets	$ 114,442
Non-current assets	18,753
Current liabilities	(21,982)
Non-current liabilities	(1,981)
Equity	$ 109,232
Equity attributable to:	
Owners of the Company	$ 63,985
Non-controlling interest in Symtek Jiangsu	45,247
	$ 109,232

	111年度
Operating income	$ 34,064
Net loss for the year	($ 9,815)
Other comprehensive income	-
Total comprehensive income	($ 9,815)
Net loss attributable to	
Owners of the Company	($ 9,154)
Non-controlling interest in Symtek Jiangsu	(661)
	($ 9,815)
Total comprehensive income attributable to	
Owners of the Company	($ 9,154)
Non-controlling interest in Symtek Jiangsu	(661)
	($ 9,815)
Cash flows	
Operating activities	($ 46,431)
Investing activities	(11,615)
Capital raising activities	118,051
Effect of exchange rate changes on cash	(190)
Net cash inflows	$ 59,815

12. PROPERTY, PLANT AND EQUIPMENT

Self-use

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost								
Balance at January 1, 2021	$ 372,524	$ 369,636	$ 74,626	$ 4,011	$ 40,611	$ 14,332	$ 86	$ 875,826
Additions	-	356	-	1,041	872	1,078	4,305	7,652
Transfer of construction in progress	-	-	785	-	3,387	-	(4,172)	-
Disposals	-	-	(661)	(1,237)	(1,928)	(344)	-	(4,170)
Effect of foreign currency exchange differences	-	(598)	(208)	(26)	(181)	(107)	-	(1,120)
Balance at December 31, 2021	$ 372,524	$ 369,394	$ 74,542	$ 3,789	$ 42,761	$ 14,959	$ 219	$ 878,188
Accumulated depreciation								
Balance at January 1, 2021		$ 77,788	$ 52,533	$ 2,053	$ 27,370	$ 10,385	$ -	$ 170,129
Depreciation expenses		10,333	6,455	814	5,190	1,030	-	23,822
Disposals		-	(595)	(944)	(1,835)	(330)	-	(3,704)
Effect of foreign currency exchange differences		(304)	(117)	(14)	(128)	(79)	-	(642)
Balance at December 31, 2021		$ 87,817	$ 58,276	$ 1,909	$ 30,597	$ 11,006	$ -	$ 189,605
Carrying amount at December 31, 2021	$ 372,524	$ 281,577	$ 16,266	$ 1,880	$ 12,164	$ 3,953	$ 219	$ 688,583
Cost								
Balance at January 1, 2022	$ 372,524	$ 369,394	$ 74,542	$ 3,789	$ 42,761	$ 14,959	$ 219	$ 878,188
Additions	782,024	1,515	6,248	2,074	3,613	1,615	15,842	812,931
Transfer of advance payment for real estate	190,735	19,694	-	-	-	-	-	210,429

Transfer of construction in progress	-	-	796	590	3,659	-	(5,045)	-
Disposals	-	-	(552)	(587)	(379)	(163)	-	(1,681)
Effect of foreign currency exchange differences	-	1,068	376	41	341	285	(8)	2,103
Balance at December 31, 2022	$ 1,345,283	$ 391,671	$ 81,410	$ 5,907	$ 49,995	$ 16,696	$ 11,008	$ 1,901,970
Accumulated depreciation								
Balance at January 1, 2022		$ 87,817	$ 58,276	$ 1,909	$ 30,597	$ 11,006	$ -	$ 189,605
Depreciation expenses		10,802	5,786	842	5,829	948	-	24,207
Disposals		-	(444)	(291)	(339)	(143)	-	(1,217)
Effect of foreign currency exchange differences		633	244	22	269	154	-	1,322
Balance at December 31, 2022		$ 99,252	$ 63,862	$ 2,482	$ 36,356	$ 11,965	$ -	$ 213,917
Carrying amount at December 31, 2022	$ 1,345,283	$ 292,419	$ 17,548	$ 3,425	$ 13,639	$ 4,731	$ 11,008	$ 1,688,053

No impairment loss was recognized or reversed in fiscal 2022 and 2021.

Property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

Buildings	
Main factory building	20-50 years
Electrical and mechanical power equipment	10-30 years
Machinery and equipment	3-10 years
Transportation equipment	3-4 years
Office equipment	4-10 years
Other equipment	5 years

Please refer to Note 32 for the amounts of property, plant and equipment set by the Consolidated Company as collateral for loans.

13. LEASE ARRANGEMENTS

i. Right-of-use assets

	December 31, 2022	December 31, 2021
Carrying amounts		
Land	$ 16,895	$ 10,564
Buildings	38,622	13,590
Transportation equipment	31,470	19,796
	$ 86,987	$ 43,950

	2022	2021
Additions to the right-of-use assets	$ 81,940	$ 34,071
Depreciation expenses for right-of-use assets		
Land	$ 2,002	$ 305
Buildings	17,338	4,269
Transportation equipment	13,373	9,853
	$ 32,713	$ 14,427

ii. Lease liabilities

	December 31, 2022	December 31, 2021
Carrying amounts		
Current	$ 41,226	$ 14,890
Non-current	$ 30,840	$ 15,283

Range of discount rate for lease liabilities was as follows:

	December 31, 2022	December 31, 2021
Land	0.87%	-
Buildings	0.87%~4.76%	3.90%~5.05%
Transportation equipment	0.87%~4.76%	0.87%~5.05%

iii. Important leasing activities and terms

The Consolidated Company leases certain transportation equipment for official business use for a period of 2 to 3 years. These lease agreements do not contain any renewal or purchase rights.

The Consolidated Company also leases certain land and buildings for use as factories and offices for a term of 1 to 5 years. At the end of the lease term, the Consolidated Company has no preferential purchase rights to the leased land and buildings and has agreed not to sublease or assign all or part of the subject of the lease without the consent of the lessor.

iv. Other lease information

	2022	2021
Expense relating to short-term leases	$ 29,007	$ 22,160
Lease expense for low-value assets	$ -	$ -
Variable lease payment expense not included in the measurement of lease liabilities	$ -	$ -
Total cash outflow for leases	($ 64,195)	($ 40,599)

The Consolidated Company has elected to apply the exemption from recognition to transportation equipment and office leases that qualify as short-term leases and does not recognize the related right-of-use assets and lease liabilities for these leases.

14. INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2021	$ 35,443
Separately acquired	6,878

Disposals	(24,797)
Effect of foreign currency exchange differences	(61)
Balance at December 31, 2021	$ 17,463
Accumulated amortization	
Balance at January 1, 2021	($ 26,558)
Amortization expenses	(3,021)
Disposals	24,797
Effect of foreign currency exchange differences	17
Balance at December 31, 2021	($ 4,765)
Carrying amount at December 31, 2021	$ 12,698
Cost	
Balance at January 1, 2022	$ 17,463
Separately acquired	6,464
Disposals	(2,423)
Effect of foreign currency exchange differences	94
Balance at December 31, 2022	$ 21,598
Accumulated amortization	
Balance at January 1, 2022	($ 4,765)
Amortization expenses	(4,737)
Disposals	2,423
Effect of foreign currency exchange differences	(18)
Balance at December 31, 2022	($ 7,097)
Carrying amount at December 31, 2022	$ 14,501

Computer software is amortized on a straight-line basis over two to five years.

15. OTHER ASSETS

	December 31, 2022	December 31, 2021
Current		
Prepayments	$ 146,246	$ 67,067
Restricted assets (Note 32)	29,652	13
	$ 175,898	$ 67,080
Non-current		
Prepayments for real estate	$ -	$ 211,794
Refundable deposits	13,505	8,343
Prepayments	24,017	23,029
Other	3,373	3,373
	$ 40,895	$ 246,539

16. LOANS

i. Short-term loans

	December 31, 2022	December 31, 2021
Unsecured loans		
Line of credit loans	$ 160,000	$ 100,000

The interest rates on bank loans are 1.91% and 0.83% as of December 31, 2022 and 2021, respectively.

ii. Long-term loans

	December 31, 2022	December 31, 2021
Guaranteed loans		
Bank loans (1)	$ 4,444	$ 7,111
Bank loans (2)	18,342	19,477
Bank loans (4)	617,000	-
Bank loans (5)	53,000	-
	692,786	26,588
Unsecured loans		
Bank loans (3)	53,425	69,863
Less: Amount due within 1 year	(20,240)	(20,240)
Long-term loans	$ 725,971	$ 76,211

1. The bank loan is secured by the Consolidated Company's own land and buildings (see Note 32) and is due on August 2024. The principal and interest are repaid monthly, and the effective annual interest rate is 1.83% and 1.15% as of December 31, 2022, and December 31, 2021, respectively.
2. The bank loan is secured by the Consolidated Company's own land and buildings (see Note 32) and is due on February 2039. The principal and interest are repaid monthly, and the effective annual interest rate is 1.79% and 1.22% as of December 31, 2022, and December 31, 2021, respectively.
3. The bank loan is due on March 2026, and the first installment was repaid starting from March 2020. The principal is repaid in 73 monthly installments over 6 years, with interest paid monthly. The effective annual interest rate is 1.454% and 0.79% as of December 31, 2022, and December 31, 2021, respectively.
4. The bank loan is secured by the Consolidated Company's own land (see Note 32) and is due on July 2024. Interest is paid monthly, and the principal is repaid at maturity. The effective annual interest rate is 1.69% as of December 31, 2022.

5. The bank loan is secured by the Consolidated Company's own land (see Note 32) and is due on July 2024. Interest is paid monthly, and the principal is repaid at maturity. The effective annual interest rate is 1.74% as of December 31, 2022.

17. CORPORATE BONDS PAYABLE

	December 31, 2022	December 31, 2021
Domestic unsecured convertible bonds	$ -	$ 88,050
Less: Amount due within 1 year	-	(88,050)
	$ -	$ -

On November 25, 2019, the Company issued unsecured convertible bonds in Taiwan for the purpose of repaying bank loans and to increase working capital, with the following circumstances:

i. Total amount issued: NT$400,000 thousand

ii. Par value: NT$100 thousand each

iii. Coupon rate: 0%

iv. Effective interest rate: 1.3108%

v. Carrying value at issuance: NT$384,674 thousand

vi. Maturity: 2019/11/25-2022/11/25 (The Company exercised its bond redemption right on January 19, 2022, and the over-the-counter trading will terminate on March 23, 2022.)

vii. Conversion period

Except for the cessation of conversion period, creditors may request conversion of their convertible bonds into common shares of the Company at any time from the day after the expiration of three months from the date of issuance (February 26, 2020) to the maturity date of November 25, 2022, in accordance with the conversion rule for corporate bonds. The cessation of conversion period is as follows:

(1) The period during which the transfer of common shares is legally suspended and ceased.

(2) The period from 15 business days prior to the date on which the Company applies to the Taipei Exchange for the cessation of transfer of the gratis allotment of shares, the cessation of transfer of cash dividends or the cessation of transfer of cash capital increase stock options to the record date.

(3) From the base date of capital reduction to 1 day before the start of trading day of capital reduction and share exchange.

(4) Other period of suspension of transfer according to the law.

viii. Conversion price and its adjustment:

Creditors may request the Company to convert the bonds held by them into common shares of the Company at NT$72.9 per share. The conversion price will be adjusted if there is an increase in the number of common shares issued by the Company after the issuance. As of the issuance period, the last announced adjusted conversion price was $67.

ix. Repayment of the bonds at maturity:

The bonds will be repaid by the issuing company in cash on the maturity date at the face value of the bonds.

x. Repurchase rights of the creditors

Upon the expiration of 2 years from the date of issuance (November 25, 2021), the bondholders may request the Company to redeem the bonds held by them in cash at the face value plus interest compensation (101% of the face value of the bonds and 0.50% of the effective yield) by written notice to the Company in accordance with regulations governing the conversion.

xi. Redemption rights of the Company

After 3 months from the issuance date (February 26, 2020) of the bonds and up to 40 days prior to the expiration of the issuance period (October 16, 2022), if the closing price of the common shares of the issuer on the Taipei Exchange exceeds the then prevailing conversion price by 30% (inclusive) for 30 consecutive business days or if the outstanding balance of the bonds is less than 10% of the original issue amount, the issuer may redeem all of the bonds in cash at the face value of the bonds.

The convertible bonds consist of liabilities and equity components, with the equity components expressed as capital surplus - stock options under equity. The liability components are presented as liabilities embedded in derivative financial instruments and non-derivative financial liabilities, respectively. The embedded derivative financial instruments were valued at fair value of $(116) thousand as of December 31, 2021. The liabilities for non-derivative financial instruments were measured at amortized cost of $88,050 thousand as of December 31, 2021, with an effective interest rate of 1.3108% as originally recognized.

Issue price (net of transaction costs of $3,960 thousand)	$ 396,040
Equity component (net of transaction costs of $109 thousand apportioned to equity)	(10,891)

Components of liabilities at issue date (net of transaction costs of $3,851 thousand apportioned to liabilities)	$ 385,149
Components of liabilities as of January 1, 2021	$ 388,311
Interest at effective interest rate of 1.3108%	3,597
Valuation gain on financial instruments	(350)
Conversion of bonds payable to common stock	(303,624)
Components of liabilities as of December 31, 2021	$ 87,934
Components of liabilities as of January 1, 2022	$ 87,934
Interest at effective interest rate of 1.3108%	174
Conversion of bonds payable to common stock	(88,108)
Components of liabilities as of December 31, 2022	$ -

18. ACCOUNTS PAYABLE

	December 31, 2022	December 31, 2021
Accounts payable		
Arising from operating activities	$ 1,575,594	$ 1,244,142

The average credit period for accounts payable is approximately four months. The Consolidated Company has a financial risk management policy to ensure that all accounts payable are repaid within the prearranged credit period.

19. OTHER LIABILITIES

	December 31, 2022	December 31, 2021
Current		
Other payables		
Payable for salaries or bonuses	$ 269,371	$ 229,708
Payable for compensation of employees	33,500	58,000
Payable for remuneration of directors	11,700	16,000
Insurance premiums and provident funds payable	93,805	91,316
Shipping costs payable	9,007	6,794
Payable for equipment	7,682	515
Other	100,103	57,670
	$ 525,168	$ 460,003
Other liabilities		
Receipts under custody	$ 3,254	$ 2,078
Non-current		
Other payables		
Long-term employee benefits payable	$ 2,227	$ 2,455
Other	-	217

	$ 2,227	$ 2,672

20. PROVISION FOR LIABILITIES

	December 31, 2022	December 31, 2021
Current		
Provision for contingent service cost	$ 109,014	$ 95,078

	Provision for contingent service
Balance at January 1, 2021	$ 78,901
Additions during the year	84,375
Used during the year	(67,770)
Effect of foreign currency exchange differences	(428)
Balance at December 31, 2021	$ 95,078
Balance at January 1, 2022	$ 95,078
Additions during the year	111,267
Used during the year	(98,227)
Effect of foreign currency exchange differences	896
Balance at December 31, 2022	$ 109,014

Warranty provision for liabilities is the present value of the Consolidated Company's management's best estimate of future economic outflows due to warranty obligations, as agreed in the sales contracts. The estimate is based on historical warranty experience and adjusted to take into account new raw materials, process changes or other factors affecting product quality.

21. RETIREMENT BENEFIT PLANS

Defined contribution plans

The Company 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. Symtek China and Symtek Jiangsu also contributes to the pension fund in accordance with local laws and regulations, which is a defined contribution pension plan.

22. EQUITY

i. Share capital

1. Ordinary shares

	December 31, 2022	December 31, 2021
Number of shares authorized (in thousands)	100,000	100,000
Shares authorized	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in thousands)	71,432	69,257
Shares issued	$ 714,317	$ 692,572

The issued common stock has a par value of NT$10 per share and each share has one voting right and the right to receive dividends.

The convertible bonds were converted into 3,714 thousand shares of common stock with a par value of $10 per share in fiscal 2021.

The convertible bonds were converted into 2,175 thousand shares of common stock with a par value of $10 per share in fiscal 2022.

On April 15, 2021, the board of directors resolved to acquire 2,700 thousand shares of common stock of SynPower Co., Ltd. at a par value of NT$10 per share in consideration for the issuance of 1,227 thousand shares of common stock at a premium of NT$86.9 per share. The above capital increase was based on the share exchange date of May 17, 2021, and the change of registration was completed on June 23, 2021.

In order to control the timeliness of raising capital, to obtain long-term capital within the shortest period of time, and to restrict the transfer of capital for three years to facilitate the stability of the Company's operating right and the expansion of its operations, the Company approved the issuance of 6,000 thousand shares of common stock through a private placement cash capital increase on August 11, 2021. The issue price per share was NT$95, the actual number of shares issued was 4,000 thousand shares, and the actual amount issued was NT$380,000 thousand, the base date of the capital increase was August 25, 2021, and the change of registration was completed on September 13, 2021. In accordance with Article 43-8 of the Securities and Exchange Act, the common shares of the private placement shall be freely transferable after three years from

the date of delivery and shall not be listed for trading until after the completion of public offering.

2. Certificate of conversion to acquire new stocks

	December 31, 2022	December 31, 2021
Number of shares converted but not yet registered (in thousand shares)	-	845
Capital stock converted but not yet registered	$ -	$ 8,447

Change of registration after the issuance of new shares on the base date of capital increase in accordance with the law.

ii. Capital surplus

	December 31, 2022	December 31, 2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 1,148,558	$ 1,148,558
Premium on conversion of corporate bonds	344,646	267,410
Treasury shares trading	9,700	9,700
May be used only to offset a deficit		
Recognition of changes in ownership interests of subsidiaries (2)	3,192	-
May not be used for any purpose		
Employee share options (3)	-	2,426
	$ 1,506,096	$ 1,428,094

1. Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
2. This type of capital surplus represents the equity transaction effects recognized due to changes in the ownership interests of subsidiaries that the Company has not actually acquired or disposed of, or adjustments to the capital surplus of subsidiaries recognized by the Company using the equity method.

3. This type of capital surplus represents the value of stock options recognized for the issuance of convertible bonds.

iii. Retained earnings and dividend policy

In accordance with the Company's Articles of Incorporation, 10% of the Company's annual earnings, if any, shall be set aside as legal reserve after paying taxes and making up for accumulated deficits. However, if the legal reserve has reached the Company's paid-in capital, it may not be set aside, and the remainder may be set aside or reversed to a special reserve in accordance with the law. If there is any unappropriated earnings, the board of directors shall prepare a proposal for the appropriation of earnings and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders. The Company's policy on the distribution of compensation of employees and remuneration of directors is described in Note 24 (vii), "Compensation of employees and remuneration of directors.

In the case of dividends or legal reserve or capital surplus distributed in cash as described above, the board of directors is authorized to do so with the presence of at least two-thirds of the directors and a resolution of a majority of the directors present, and to report to the shareholders' meeting.

The Company's dividend policy is to distribute dividends to shareholders at a rate of not less than 10% of the distributable earnings each year in accordance with the Company's current and future development plans, taking into account the investment environment, capital requirements, domestic and international competition, and the interests of shareholders. However, if the accumulated distributable earnings are less than 5% of the paid-in capital, the dividends may not be distributed. Dividends may be distributed in cash or in shares, with cash dividends not less than 50% of the total dividends.

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

When the Company transferred the net decrease in other equity components to special reserves, it only transferred the portion that was not distributed as retained earnings in previous periods.

The appropriations of earnings for 2021 and 2020 were as follows:

	Earnings appropriation		Dividend per share (NT$)	
	2021	2020	2021	2020
Legal reserve	$ 65,165	$ 37,926		
Special reserve	234	(13,492)		
Cash dividends	450,172	259,290	$ 6.5	$ 4.3

The aforementioned cash dividends were resolved to be distributed by the board of directors on March 8, 2022, and March 5, 2021, respectively, while the other items of earning distribution were resolved to be distributed by the shareholders' meeting on May 27, 2022, and July 15, 2021, respectively.

Due to the conversion of corporate bonds, the dividend payout ratio for ordinary shares in 2021 was adjusted because it affected the number of outstanding shares. The Chairman was authorized to fully handle the adjustment of the dividend payout ratio to NT$6.30212374 per share at the shareholders' meeting on May 27, 2022.

The earning distribution plan for the Company for the year 2022 is as follows:

	Earnings distribution	Dividends per share (NT$)
Legal reserve	$ 66,699	
Reversal of special reserve	(12,038)	
Cash dividends	428,590	$ 6

The above cash dividends have been approved by the board of directors on February 24, 2023. The remaining distribution of earnings is pending the resolution of the shareholders' meeting scheduled for May 31, 2023.

iv. Non-controlling interests

	2022
Opening balance	$ -
Net loss for the year	(661)
Cash increase in subsidiaries (Note 11)	49,100
Changes in recognized ownership interests in subsidiaries	(3,192)
Closing balance	$ 45,247

23. REVENUE

	2022	2021
Revenue from customer contracts		
Revenue from merchandise sales	$ 5,761,799	$ 4,905,620

i. Contract information

The automation equipment were sold to the manufacturers in Taiwan and China on a geographical basis and sold at a fixed price under a contractual agreement.

ii. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Accounts receivable (Note 9)	$ 1,090,929	$ 970,393	$ 1,172,750
Accounts receivable - related parties (Note 31)	93,939	66,763	5,251
	$ 1,184,868	$ 1,037,156	$ 1,178,001
Contract assets - current			
Sale of goods	$ 653,588	$ 408,589	$ -
Contract liabilities-current			
Sale of goods	$ 731,761	$ 558,083	$ 384,985

The Consolidated Company recognizes an allowance for losses on contract assets based on expected credit losses over the life of the contracts. The contract assets will be transferred to accounts receivable upon billing. The credit risk characteristics are the same as those of accounts receivable arising from similar contracts, so the Consolidated Company considers that the expected credit loss rate of accounts receivable can also be applied to contract assets.

	December 31, 2022	December 31, 2021
Expected credit loss	0.15%	1.29%
Gross carrying amount	$ 654,600	$ 413,921
Allowance for impairment loss (lifetime ECLs)	(1,012)	(5,332)
	$ 653,588	$ 408,589

Information on the changes in the allowance for losses on contract assets is as follows:

	2022	2021
Opening balance	$ 5,332	$ -
Add: Impairment loss for the year	-	5,330
Less: Reversal of impairment loss for the year	(4,357)	-
Foreign currency translation differences	37	2
Closing balance	$ 1,012	$ 5,332

The amount of contractual liabilities from the beginning of the year recognized as income in the current year were as follows:

	2022	2021
From contractual liabilities at the beginning of the year		
Sale of goods	$ 536,814	$ 352,179

iii. Breakdown of revenue from customer contracts

2022

	Reportable departments			
	PCB automation equipment	LCD panel automation equipment	Semiconductor automation equipment	Total
Product type				
Merchandise sales revenue	$ 4,448,863	$ 334,262	$ 978,674	$ 5,761,799

2021

	Reportable departments			
	PCB automation equipment	LCD panel automation equipment	Semiconductor automation equipment	Total
Product type				
Merchandise sales revenue	$ 3,838,237	$ 364,785	$ 702,598	$ 4,905,620

24. NET PROFIT

i. Interest income

	2022	2021
Bank deposit	$ 19,597	$ 13,449

ii. Other income

	2022	2021
Dividend income	$ 3,590	$ 1,459
Other	16,121	22,925
	$ 19,711	$ 24,384

iii. Other gains and losses

	2022	2021
Gain on disposal of financial assets		
Financial assets measured at fair value through profit or loss	$ 1,777	$ -
Interest in financial assets and financial liabilities		

Financial assets mandatorily measured at fair value through profit or loss	-	350
Gain (loss) on disposal of property, plant and equipment	(384)	118
Net gain (loss) on foreign currency exchange	23,029	(9,340)
Other	(4,254)	(5,782)
	$ 20,168	($ 14,654)

iv. Financial cost

	2022	2021
Interest on bank loans	$ 13,533	$ 6,680
Interest on corporate bonds payable	174	3,597
Interest on lease liabilities	1,662	962
	$ 15,369	$ 11,239

v. Depreciation and amortization

	2022	2021
An analysis of depreciation by function		
Operating costs	$ 28,248	$ 17,956
Operating expenses	28,672	20,293
	$ 56,920	$ 38,249
An analysis of amortization by function		
Operating costs	$ 804	$ 765
Operating expenses	22,629	19,065
	$ 23,433	$ 19,830

vi. Employee benefits expense

	2022	2021
Post-employment benefits (Note 21)		
Defined contribution plans	$ 29,404	$ 25,219
Other employee benefits	961,167	882,702
Total employee benefits expense	$ 990,571	$ 907,921
An analysis of employee benefits expense by function		
Operating costs	$ 405,351	$ 333,920
Operating expenses	585,220	574,001
	$ 990,571	$ 907,921

vii. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues employees' compensation and board directors' remuneration at the rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The estimated compensation of employees and the remuneration of directors for the years 2022 and 2021 were resolved by the board of directors on February 24, 2023 and February 25, 2022, respectively, as follows:

Accrual rate

	2022	2021
Compensation of employees	3.71%	6.73%
Remuneration of directors	1.30%	1.86%

Amount

	2022	2021
	Cash	Cash
Compensation of employees	$ 33,500	$ 58,000
Remuneration of directors	11,700	16,000

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

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

viii. Gains or losses on foreign currency exchange

	2022	2021
Foreign exchange gains	$ 54,455	$ 13,089
Foreign exchange losses	(31,426)	(22,429)
Net gains (losses)	$ 23,029	($ 9,340)

25. INCOME TAX

i. Income tax recognized in profit or loss:

Major components of income tax expense are as follows:

	2022	2021
Current tax		
In respect of the current period	$ 196,279	$ 137,703
Income tax on unappropriated earnings	6,097	4,516
In respect of prior years	397	(3,809)
	202,773	138,410
Deferred tax		
In respect of the current period	18,388	45,327
Income tax expense recognized in profit or loss	$ 221,161	$ 183,737

The reconciliation of accounting income and income tax expense is as follows:

	2022	2021
Net income before tax	$ 887,494	$ 835,383
Income tax expense at statutory rate on net income before tax	$ 210,022	$ 217,564
Non-deductible expenses for tax purposes	2,207	894
Research and development expenses plus deductions	(9,946)	(8,608)
Tax-exempt income	(817)	(466)
Surtax on undistributed earnings	6,097	4,516
Other income tax effects adjusted according to tax laws	13,800	-
Adjustments to prior years' deferred income tax expense	(595)	(26,355)
Adjustments to prior years' current income tax expense	397	(3,809)
Others	(4)	1
Income tax expense recognized in profit or loss	$ 221,161	$ 183,737

ii. Income tax recognized in other comprehensive income

	2022	2021
Deferred income tax expense (benefit)		
Arising from current year		
Translation of foreign operating entities	$ 3,403	($ 1,406)

iii. Current income tax assets and liabilities

	December 31, 2022	December 31, 2021
Current income tax liabilities		
Income tax payable	$ 134,720	$ 72,705

iv. Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows:

2022

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange difference	Closing balance
Deferred tax assets					
Allowance for losses	$ 16,915	($ 3,532)	$ -	$ 180	$ 13,563
Inventory write-down	14,377	17,801	-	94	32,272
Provision for contingent service cost	16,062	3,007	-	133	19,202
Other	31,724	13,259	-	181	45,164
	$ 79,078	$ 30,535	$ -	$ 588	$ 110,201
Deferred tax liabilities					
Income from foreign investments recognized under the equity method	$ 104,158	$ 48,909	$ 3,403	$ -	$ 156,470
Other	-	14	-	-	14
	$ 104,158	$ 48,923	$ 3,403	$ -	$ 156,484

2021

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange difference	Closing balance
Deferred tax assets					
Allowance for losses	$ 21,207	($ 4,203)	$ -	($ 89)	$ 16,915
Inventory write-down	21,497	(7,049)	-	(71)	14,377
Provision for contingent service cost	12,935	3,191	-	(64)	16,062
Other	24,980	6,841	-	(97)	31,724
	$ 80,619	($ 1,220)	$ -	($ 321)	$ 79,078
Deferred tax liabilities					
Income from foreign investments recognized under the equity method	$ 61,457	$ 44,107	($ 1,406)	$ -	$ 104,158

v. Income tax assessments

The income tax returns of the Company through 2020 have been assessed by the tax authorities. Symtek Automation China Co., Ltd. All income tax returns as of fiscal 2021 have been completed in accordance with the deadline set by the local government.

26. 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

	2022	2021
Earnings used in the computation of basic earnings per share	$ 666,994	$ 651,646
Effects of potentially dilutive ordinary shares:		
After-tax interest on convertible bonds	139	2,877
Net profit used in the computation of diluted earnings per share	$ 667,133	$ 654,523

Shares (In Thousands of Shares)

	2022	2021
Weighted-average number of ordinary shares used in the computation of basic earnings per share	70,908	64,188
Effects of potentially dilutive ordinary shares:		
Compensation of employees	486	531
Certificate of conversion to acquire new stocks	-	845
Conversion of corporate bonds	524	3,356
Weighted-average number of ordinary shares used in the computation of diluted earnings per share	71,918	68,920

If the Consolidated Company offered to settle compensation paid to employees in cash or shares, the Consolidated Company assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. EQUITY TRANSACTION WITH NON-CONTROLLING INTEREST

As of September 30, 2022, the Consolidated Company did not subscribe for the cash capital increase of its subsidiary Symtek Jiangsu in proportion to its shareholding, resulting in a decrease in its shareholding from 100% to 60%.

Since the above transaction did not change the Consolidated Company's control over the subsidiary, the Consolidated Company treated it as an equity transaction.

	Symtek Jiangsu
Consideration received	$ 49,100
Amounts transferable to non-controlling interests based on changes in relative equity of net assets of subsidiary	(45,908)
Equity transaction difference	$ 3,192

	Symtek Jiangsu
Adjustments to equity transaction differences	
Capital surplus - recognition of changes in ownership interests in subsidiaries	$ 3,192

28. NON-CASH TRANSACTIONS

i. In 2022 and 2021, the Company converted convertible corporate bonds and bond conversion entitlement certificates into common stock and capital surplus, resulting in a total impact of NT$88,108 thousand and NT$303,624 thousand, respectively.

ii. On May 17, 2021, the Company issued 1,227 thousand common shares to SynPower Co., Ltd. at a premium of NT$86.9 per share, with a fair value of approximately NT$106,626 thousand. SynPower also issued 2,700 thousand common shares to the Company as consideration for the transfer of each other's shares. The Company recorded the acquisition of shares of SynPower (with 9.96% ownership) as financial assets at fair value through other comprehensive income - non-current (see Notes 7 and 22).

29. CAPITAL RISK MANAGEMENT

The Consolidated Company manages its capital to ensure that it has the necessary financial resources and operating plans to meet its future needs for working capital, capital expenditures, research and development expenses, debt service and dividend payments. The Consolidated Company manages capital to maximize shareholder returns by optimizing debt and equity balances, provided that the Consolidated Company continues to operate.

30. FINANCIAL INSTRUMENTS

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

Except for those listed in the table below, the carrying amounts of financial assets and financial liabilities that are not measured at fair value are considered by the management of the Consolidated Company to approximate their fair values.

December 31, 2022: None.

December 31, 2021

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 88,050	$155,177	$ -	$ -	$155,177

ii. Fair value of financial instruments that are measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Emerging stocks	$ -	$ -	$ 110,813	$ 110,813
Unquoted stocks	-	-	9,630	9,630
	$ -	$ -	$ 120,443	$ 120,443

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	$ -	$ 116	$ -	$ 116
Financial assets at FVTOCI				
Investments in equity instruments				
Emerging stocks	$ -	$ -	$ 105,159	$ 105,159
Unquoted stocks	-	-	31,860	31,860
	$ -	$ -	$ 137,019	$ 137,019

There are no transfers between Level 1 and Level 2 fair value measurements in fiscal 2022 and 2021.

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

2022

Financial Assets	Financial assets at FVTOCI Equity Instruments
Opening balance	$137,019
Recognized in other comprehensive income (unrealized gain or loss on financial assets measured at fair value through other comprehensive income)	(1,576)
Disposals	(15,000)
Closing balance	$120,443

2021

Financial Assets	Financial assets at FVTOCI Equity Instruments
Opening balance	$ 24,000
Additions	107,626
Recognized in other comprehensive income (unrealized gain or loss on financial assets measured at fair value through other comprehensive income)	5,393
Closing balance	$137,019

3. Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Derivatives - Call and put options on convertible bonds	The binary tree method is used to evaluate the convertible bonds based on the volatility of conversion price, risk-free interest rate, risk discount rate and remaining maturity.

4. Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

The fair value of equity investments without an active market is assessed using the market approach. The market approach is used to estimate the fair value of investment targets by referring to the trading prices of comparable targets in the market and related information.

iii. Categories of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at FVTPL		
Mandatorily measured at FVTPL	$ -	$ 116
Financial assets at amortized cost (Note 1)	2,628,043	2,949,248
Financial assets at FVTOCI		
Investments in equity instruments	120,443	137,019
Investment in debt instruments	129,585	125,257
Financial liabilities		
At amortized cost (Note 2)	2,481,805	1,528,643

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, accounts receivable, accounts receivable - related parties, other receivables, refundable deposits and restricted deposits.

Note 2: The balance includes financial liabilities measured at amortized cost, such as short-term loans, accounts payable, bonds payable (including those due within one year) and long-term loans (including those due within one year).

iv. Financial risk management objectives and policies

The Consolidated Company's major financial instruments include cash and cash equivalents, investments in equity and debt instruments, notes receivable, accounts receivable, accounts receivable - related parties, notes payable, accounts payable, lease liabilities, corporate bonds payable and borrowings. The Consolidated Company's financial management department provides services to each business unit, coordinates access to financial markets, monitors and manages financial risks associated with the Consolidated Company's operations by analyzing risk exposures based on risk level and breadth. These risks include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

1. Market risk

The Consolidated Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

(1) Foreign currency risk

The Consolidated Company holds monetary assets and monetary liabilities that are not denominated in functional currencies, which give rise to exchange rate risk. The Consolidated Company is aware of the changes in market exchange rates and adjusts its exchange rate policy to manage exchange rate risk.

The carrying amounts of the Consolidated Company's foreign currency denominated monetary assets and monetary liabilities at the end of the period are set out in Note 35.

Sensitivity analysis

The Consolidated Company was mainly exposed to RMB and USD.

The following table details the sensitivity analysis of the Consolidated Company when the exchange rate of the New Taiwan dollar (functional currency) increases and decreases by 1% against each relevant foreign currency. 1% is the sensitivity ratio used for internal reporting of exchange rate risk to key management and represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates. The sensitivity analysis includes only foreign currency monetary items in circulation and adjusts their year-end translation by a 1% change in exchange rates. The amounts in the table below represent the increase in income before income taxes that would result from a 1% weakening of the New Taiwan dollar against the respective currencies, and the negative impact on income before income taxes that would result from a 1% strengthening of the New Taiwan dollar against the respective currencies.

	RMB Impact (Note)		USD Impact (Note)	
	2022	2021	2022	2021
Profit or loss	$ 1,474	$ 539	$ 2,903	$ 2,039

Note: Mainly derived from bank deposits, receivables and payables in RMB and USD that were outstanding and not cash flow hedged at the balance sheet date of the Consolidated Company.

The increase in the sensitivity of the Consolidated Company to RMB and USD exchange rate was mainly due to the increase in accounts receivable denominated in those foreign currencies.

(2) Interest rate risk

Interest rate risk arises because individuals in the Consolidated Company borrow funds at both fixed and floating rates. The Consolidated Company manages interest rate risk by maintaining an appropriate mix of fixed and floating rates.

The carrying amounts of the Consolidated Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
Financial assets	$ 579,266	$ 280,804
Financial liabilities	-	88,050
Cash flow interest rate risk		
Financial liabilities	906,211	196,451

Sensitivity analysis

The sensitivity analysis of interest rate risk was determined based on the interest rate risk as of the end of the financial reporting period. If interest rates were to increase by 1%, with all other variables held constant, the Consolidated Company's net income before income taxes would decrease by $9,062 thousand and $1,965 thousand for 2022 and 2021, respectively. The increase in the Consolidated Company's sensitivity to interest rates was mainly due to the increase in bank loans with variable interest rates during the year.

(3) Other price risk

The Consolidated Company has equity price risk due to its investment in equity securities. These equity investments are not held for trading but are strategic investments and the Consolidated Company does not actively trade these investments. In addition, the Consolidated Company assigns a specific team to monitor price risk and assess when additional hedges are required.

Sensitivity analysis

The following sensitivity analysis was performed based on the equity price risk at the balance sheet date.

If the equity price increases/decreases by 5%, other comprehensive income before income tax will increase/ decrease by $6,022 thousand and $6,851 thousand in fiscal 2022 and 2021, respectively, due to the increase/decrease in fair value of financial assets measured at fair value through other comprehensive income.

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 Consolidated Company. At the end of the period, the Consolidated Company's maximum exposure to credit risk, which will cause a financial loss to the Consolidated Company due to the failure of the counterparty to discharge an obligation approximates the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Consolidated Company's policy is to deal only with creditworthy counterparties and to obtain advance payments when necessary to mitigate the risk of financial loss arising from delinquencies. To mitigate credit risk, the Consolidated Company continuously monitors credit risk and the credit ratings of counterparties, and has dedicated personnel responsible for credit approval and other monitoring procedures to ensure that appropriate actions are taken to collect overdue receivables. In addition, the Consolidated Company reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses are recorded for uncollectible receivables.

The Consolidated Company's credit risk is mainly concentrated in the Consolidated Company's top three customers. As of December 31, 2022 and 2021, the percentage of total accounts receivable from these customers is 36% and 19%, respectively.

3. Liquidity risk

The Consolidated Company manages and maintains sufficient cash to support its operations and mitigate the impact of cash flow fluctuations. The Consolidated Company's management monitors the use of bank financing lines and ensures compliance with the terms of borrowing contracts.

As of December 31, 2022 and 2021, the Consolidated Company had unutilized financing facilities of $968,384 thousand and $922,553 thousand, respectively.

The following tables show the Consolidated Company's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up on the basis of the undiscounted cash flows of financial liabilities from the earliest date on which the Consolidated Company can be required to pay. The tables included both interest and principal cash flows.

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities				
Non-interest bearing	$ 518,673	$ 571,821	$ 485,100	$ -
Lease liabilities	3,648	7,296	31,660	31,431
Variable rate instruments	2,990	5,949	185,182	735,580
	$ 525,311	$ 585,066	$ 701,942	$ 767,011

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities				
Non-interest bearing	$ 256,908	$ 455,285	$ 531,949	$ -
Lease liabilities	1,493	2,987	11,191	15,661
Variable rate instruments	1,830	3,650	116,034	78,780
Fixed rate instruments	-	-	89,100	-
	$ 260,231	$ 461,922	$ 748,274	$ 94,441

v. Information on the transfer of financial assets

Information on the sale of outstanding receivables of the Consolidated Company at the end of the year is as follows:

December 31, 2022

Counterparty	Factoring amount	Amount transferred to other receivables	Amount available for cash advance	Total cash advance	Interest rate of total cash advance (%)
Fubon Bank	$ 266,495	$ 26,650	$ -	$ 239,845	1.442~1.709
O-Bank	36,515	3,651	-	32,864	1.463~1.642
	$ 303,010	$ 30,301	$ -	$ 272,709	

December 31, 2021

Counterparty	Factoring amount	Amount transferred to other receivables	Amount available for cash advance	Total cash advance	Interest rate of total cash advance (%)
Shin Kong Bank	$ 216,252	$ 43,262	$ -	$ 172,990	0.91~0.98
O-Bank	30,710	3,071	-	27,639	0.888~0.889
	$ 246,962	$ 46,333	$ -	$ 200,629	

Under the factoring contracts, losses arising from commercial disputes (such as sales returns or discounts) are borne by the Consolidated Company, while losses arising from credit risk are borne by the banks.

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries which are related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and its related parties are disclosed below.

i. Related parties and their relationships

Related Party	Relationship
Protek Technology Limited	Other related parties - Key management companies
Dongguan Protek Machinery Co., Ltd.	Other related parties - Key management companies

ii. Operating revenue

Line Item	Related Party Category	2022	2021
Sales	Other related parties - Key management companies	$ 218,743	$ 173,396

The Consolidated Company's sales transaction prices to related parties are based on mutual agreements, and the collection policy is based on monthly payments in 10 installments.

iii. Contract assets

Related Party Category	December 31, 2022	December 31, 2021
Other related parties - Key management companies	$ -	$ 5,630

No allowance for loss has been provided for contract assets arising from related parties in fiscal 2021.

iv. Receivables from related parties (excluding lending to related parties)

Line Item	Related Party Category/Name	December 31, 2022	December 31, 2021
Accounts receivable - related parties	Other related parties		
	Dongguan Protek Machinery Co., Ltd.	$ 93,939	$ 66,354
	Other related parties - Key management companies	-	409
		$ 93,939	$ 66,763

No guarantees are received for accounts receivable from related parties in circulation. No impairment loss has been recognized for accounts receivable from related parties in fiscal 2022 and 2021.

v. Contract liabilities

Related Party Category/Name	December 31, 2022	December 31, 2021
Other related parties		
Dongguan Protek Machinery Co., Ltd.	$ 3,819	$ 92,737
Other related parties - Key management companies	-	3,684
	$ 3,819	$ 96,421

vi. Endorsements and guarantees

As of December 31, 2022 and 2021, the Consolidated Company has provided endorsement and guarantee for Symtek China in the amount of NT$0 thousand and NT$437,520 thousand, respectively, as resolved by the board of directors of the Company and the shareholders' meeting of SAL. The actual expenditures were both $0 thousand.

vii. Compensation of key management personnel

	2022	2021
Short-term employee benefits	$ 50,017	$ 49,809

The remuneration of board directors and salaries of other key management personnel are decided by remuneration and compensation committee based on individual performance and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets have been provided as collateral for financing loans, tariff guarantees for imported raw materials, or security deposits for the employment of foreign workers:

	December 31, 2022	December 31, 2021
Restricted bank deposits (included in other current assets)	$ 29,652	$ 13
Pledged deposits (classified as financial assets at amortized cost)	-	19,740
Notes receivable	-	4,354
Property, plant and equipment	1,585,938	654,101
	$ 1,615,590	$ 678,208

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS: None.

34. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE:

In response to the future development plan of the Company's operations, to increase operating capital and/or repay bank loans, the board of directors decided on February 24th, 2023 to carry out a cash increase and issue the second domestic unsecured convertible corporate bond. The capital increase is expected to be 3,850 thousand shares of common stock with a par value of NT$10 per share, which will increase the capital by NT$38,500 thousand, and the issue price is tentatively set at NT$78 per share; and the issuance of the second domestic unsecured convertible bonds is expected to be NT$300,000 thousand, with a par value of NT$100 thousand each, and a total of 3,000 bonds will be issued.

Due to business needs and production capacity expansion demand, the Company approved a budget of NT$2,000,000 thousand for the construction of a new plant on Xinsheng Road, Zhongli District at its board meeting on February 24, 2023.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is expressed in a summary of foreign currencies other than the functional currency of the Consolidated Company. The disclosed exchange rates are the rates at which these foreign currencies are converted into the functional currency.

Information on foreign currency financial assets and liabilities with significant impact on the Consolidated Company is as follows:

December 31, 2022

	Foreign Currencies	Exchange Rates	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 7,956	30.71 (USD:NTD)	$ 244,334
USD	1,563	6.96 (USD:RMB)	47,990
EUR	155	32.72 (EUR:NTD)	5,073

JPY	22,889	0.23 (JPY:NTD)	5,319
RMB	36,659	4.41 (RMB:NTD)	161,594
			$ 464,310

Financial liabilities			
Monetary items			
USD	33	30.71 (USD:NTD)	$ 1,024
USD	33	6.96 (USD:RMB)	1,013
EUR	124	32.72 (EUR:NTD)	4,051
JPY	60,070	0.23 (JPY:NTD)	13,960
RMB	3,215	4.41 (RMB:NTD)	14,174
			$ 34,222

December 31, 2021

	Foreign Currencies	Exchange Rates	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 5,391	27.68 (USD:NTD)	$ 149,220
USD	1,987	6.37 (USD:RMB)	54,998
EUR	54	31.32 (EUR:NTD)	1,698
JPY	167,535	0.24 (JPY:NTD)	40,292
RMB	12,844	4.34 (RMB:NTD)	55,794
			$ 302,002

Financial liabilities			
Monetary items			
USD	$ 10	27.68 (USD:NTD)	$ 275
EUR	16	31.32 (EUR:NTD)	505
JPY	119,053	0.24 (JPY:NTD)	28,632
RMB	428	4.34 (RMB:NTD)	1,859
			$ 31,271

The Consolidated Company is primarily exposed to foreign currency exchange rate risk in RMB and USD. The following information is presented in aggregate for the functional currencies of the individual foreign currency holdings, and the exchange rates disclosed represent the rates at which those functional currencies are translated into the presentation currency. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	2022		2021	
Functional Currency	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Losses
NTD	1 (NTD:NTD)	$ 19,206	1 (NTD:NTD)	($ 7,805)
RMB	4.42 (RMB:NTD)	3,823	4.34 (RMB:NTD)	(1,535)
		$ 23,029		($ 9,340)

36. SEPARATELY DISCLOSED ITEMS

i. INFORMATION ABOUT SIGNIFICANT TRANSACTIONS:

1. Financing provided to others. (None)
2. Endorsements/guarantees provided. (Table 1)
3. Marketable securities held. (Table 2)
4. Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (None)
5. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (Table 3)
6. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 4)
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)
9. Trading in derivative instruments. (None in FY2022)
10. Other: Intercompany relationships and significant intercompany transactions. (Table 5)

ii. INFORMATION ON INVESTEES. (Table 6)

iii. 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, profit or loss for the period and investment income or loss recognized, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses. (Table 8)
   (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

(3) The amount of property transactions and the amount of the resultant gains or losses.

(4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

(5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.

(6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

iv. INFORMATION OF MAJOR SHAREHOLDERS:

The name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder of shareholders with ownership of 5% or greater. (Table 9)

37. SEGMENT INFORMATION

This information is provided to the chief operating decision maker for resource allocation and departmental performance evaluation, with a focus on measuring by operating region. The segments that the Consolidated Company should report on are as follows:

Symtek Taiwan - Symtek Automation Asia Co., Ltd.

Symtek China - Symtek China, SAL and Symtek Jiangsu

i. Segment revenue and operating results

The revenue and operating results of the Consolidated Company's continuing business units are analyzed by reportable segment as follows:

	Symtek Taiwan	Symtek China	Adjustments and eliminations	Total
2022				
Revenue from external customers	$ 3,366,087	$ 2,395,712	$ -	$ 5,761,799
Inter-segment revenue	48,402	6,672	(55,074)	-
Total revenue	$ 3,414,489	$ 2,402,384	($ 55,074)	$ 5,761,799
Interest income	$ 1,378	$ 18,219	$ -	$ 19,597
Financial cost	$ 13,197	$ 2,172	$ -	$ 15,369
Depreciation expenses	$ 29,814	$ 27,106	$ -	$ 56,920
Amortization expenses	$ 19,564	$ 3,869	$ -	$ 23,433
Other significant non-cash items				
Inventory write-down	$ 81,000	$ 10,657	$ -	$ 91,657
Reversal of impairment loss on financial assets	($ 16,580)	($ 5,749)	$ -	($ 22,329)
Segment gains	$ 613,423	$ 274,071	$ -	$ 887,494

2021				
Revenue from external customers	$ 2,547,630	$ 2,357,990	$ -	$ 4,905,620
Inter-segment revenue	54,904	18,138	(73,042)	-
Total revenue	$ 2,602,534	$ 2,376,128	($ 73,042)	$ 4,905,620
Interest income	$ 259	$ 13,190	$ -	$ 13,449
Financial cost	$ 7,728	$ 3,511	$ -	$ 11,239
Depreciation expenses	$ 18,400	$ 19,849	$ -	$ 38,249
Amortization expenses	$ 16,010	$ 3,820	$ -	$ 19,830
Other significant non-cash items				
Reversal of inventory write-down	($ 23,000)	($ 16,322)	$ -	($ 39,322)
(Reversal of) impairment loss on financial assets	($ 19,290)	$ 2,555	$ -	($ 16,735)
Segment gains	$ 435,869	$ 399,514	$ -	$ 835,383

Sales between segments are determined with reference to market conditions.

Segment revenue refers to the profit earned by each segment, excluding income tax expense. This measure is provided to the chief operating decision maker for the purpose of allocating resources to departments and evaluating their performance.

All assets and liabilities of the Consolidated Company have not been allocated to reportable segments because information on the Consolidated Company's assets and liabilities has not been provided to the operating decision maker.

ii. Revenue from major products and services

Revenue from major products and services of the Consolidated Company's continuing business units is analyzed as follows:

	2022	2021
PCB automation equipment	$ 4,448,863	$ 3,838,237
LCD panel automation equipment	334,262	364,785
Semiconductor automation equipment	978,674	702,598
	$ 5,761,799	$ 4,905,620

iii. Major customers

The breakdown of customers contributing 10% or more of consolidated operating revenues in 2022 and 2021 is as follows:

	2022	2021
Company B	$ 961,165	$ 699,815
Company C	784,459	-
Company A	NA (Note)	653,912
	$ 1,745,624	$ 1,353,727

Note: The amount of revenue did not reach 10% of the Consolidated Company's total revenue.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

YEAR 2022

TABLE 1

(In Thousands of New Taiwan Dollars)

Number (Note 1)	Endorser	Endorsee		Endorsement and guarantee limit for a single company	Maximum balance for the period	Ending balance	Actual expenditure	Endorsement and guarantee amount by assets	Ratio of cumulative endorsement/ guarantee amount to net worth as stated in the latest financial statements (%)	Maximum limit of endorsement and guarantee	Endorsement and guarantee from parent to subsidiary	Endorsement and guarantee from subsidiary to parent	Endorsement and guarantee for Mainland China	Remark
		Company name	Relationship (Note 2)											
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	(3)	$ 1,575,295 (Note 4)	$ 264,680	$ -	$ -	$ -	-	$ 1,823,220 (Note 3)	Y	N	Y	—
1	Symtek Automation Ltd.	Symtek Automation China Co., Ltd.	(2)	1,575,295 (Note 5)	177,560	-	-	-	-	1,575,295 (Note 5)	Y	N	Y	—

Note 1: The description of the number field is as follows:

(1) No. 0 represents the issuer.

(2) Other numbers represent investees.

Note 2: There are seven types of relationships between the endorser and the endorsee, which can be indicated as follows:

(1) A company with which it does business.

(2) A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.

(3) A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.

(4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.

(5) Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

(7) Where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other

Note 3: The total amount of the endorsement/guarantee is limited to 50% of the Company's net worth as stated in the latest financial statement.

Note 4: The maximum amount shall be 100% of the net worth as stated in the latest audited financial statements of Symtek Automation China Co., Ltd., calculated as $1,575,295 thousand ($1,575,295 thousand × 100% of the net worth as stated in the latest financial statements as of December 31, 2022).

Note 5: The maximum amount of endorsement/guarantee by a subsidiary to a sub-subsidiary that the subsidiary directly or indirectly holds 100% of the voting shares is 100% of the net worth as stated in the latest audited or reviewed financial statements of the sub-subsidiary, which was calculated to be $1,575,295 thousand ($1,575,295 thousand × 100% of the net worth as stated in the latest financial statements as of December 31, 2022).

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

TABLE 2

(In Thousands of New Taiwan Dollars/Thousands of Shares)

Holding Company	Marketable Securities Type/Name and Issuer (Note)	Relationship with the Holding Company	Line Item	At the End of Period				Remark
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Symtek Automation Asia Co., Ltd.	Equity investment							
	New Smart Technology Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	515	$ 16,995	2.34%	$ 8,630	
	Ever Radiant Inc.	None	〃	560	-	6.77%	-	
	SynPower Co., Ltd.	None	〃	2,992	106,626	9.96%	110,813	
	Gtalent Co., Ltd.	None	〃	100	1,000	6.25%	1,000	
	Less: Valuation adjustment of financial assets at fair value through other comprehensive income				(4,178)		-	
					$ 120,443		$ 120,443	

Note 1: Marketable securities referred to in this table are marketable securities derived from stocks that fall within the scope of IFRS 9, “Financial Instruments”.

Note 2: Refer to Tables 6 and 7 for information about subsidiaries and associates.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

YEAR 2022

TABLE 3

(In Thousands of New Taiwan Dollars)

Company that acquires the property	Asset	Date of occurrence	Transaction amount	Payment	Counterparty	Relationship	The previous transfer information if the counterparty is a related party				Reference for price determination	Purpose of acquisition and use	Other contractual matters
							Owner	Relationship with the issuer	Date of transfer	Amount			
Symtek Automation Asia Co., Ltd.	Land in Dajiang Section, Zhongli District, Taoyuan City	October 12, 2021 (Note)	$ 962,347	Paid $962,347 thousand as of December 31, 2022	Zhang, Xiu-Xiang	Non-related party	-	-	-	$ -	Real estate appraisal report	Acquired for operating use	-

Note: This is the date of the board of directors' resolution.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

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

YEAR 2022

TABLE 4

(In Thousands of New Taiwan Dollars/Thousands of Shares)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Symtek Automation China Co., Ltd.	Dongguan Protek Machinery Co., Ltd.	Other related parties - Key management companies	Sales	$ 214,451	9.05%	Monthly payments in 6-10 installments	No significant difference	No significant difference	$ 93,939	13.24%	—

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

YEAR 2022

TABLE 5

(In Thousands of New Taiwan Dollars)

Number (Note 1)	Company Name	Counterparty	Flow of Transaction (Note 2)	Transaction Details			
				Item	Amount (Note 4)	Transaction Terms	Percentage of Transaction Amount to Consolidated Operating Revenue or Total Assets (Note 3)
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Accounts receivable - related parties	$ 13,779	Based on general conditions	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Accounts payable - related parties	574	Based on general conditions	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Cost of goods sold	5,769	Based on general conditions	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Sales revenue	48,402	Based on general conditions	1%
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Other receivables - related parties	37,855	Based on general conditions	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Other income	70,035	Based on general conditions	1%
1	Symtek Automation China Co., Ltd.	Symtek Technology Jiangsu Co., Ltd.	3	Cost of goods sold	903	Based on general conditions	-
1	Symtek Automation China Co., Ltd.	Symtek Technology Jiangsu Co., Ltd.	3	Rental revenue	3,844	Based on general conditions	-

Note 1: No. 0 represents the parent company; other numbers represent subsidiaries.

Note 2: The directional flow of the transactions are represented by the following numerals:

No. 1 - from parent company to subsidiary.

No. 2 - from subsidiary to parent company.

No. 3 - between subsidiaries.

Note 3: The accounts in the consolidated balance sheets and those in the consolidated statements of comprehensive income were based on the Company's consolidated total assets and total gross sales, respectively.

Note 4 Intercompany balances and transactions were eliminated upon consolidation.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES

YEAR 2022

TABLE 6

(In Thousands of New Taiwan Dollars/Thousands of Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			Profit or Loss of the Investee	Investment Profit or Loss Recognized	Note
				December 31, 2022	December 31, 2021	Number of Shares	Percentage of Ownership	Carrying Amount			
Symtek Automation Asia Co., Ltd.	Symtek Automation Ltd.	British Virgin Islands	Investment	$ 298,447	$ 298,447	26,272	100%	$ 1,572,182	$ 244,544	$ 244,084 (Note 1)	Subsidiary

Note 1: The amount of $244,544 thousand was recognized as the net income of the investee based on the equity in the investee, after adjusting the realized gain or loss of $2,628 thousand and the unrealized gain or loss of $(3,088) thousand from the downstream transactions.

Note 2: The amount was eliminated in the preparation of the consolidated financial statements.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

YEAR 2022

TABLE 7

(In Thousands of New Taiwan Dollars/Thousands of Shares)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Profit (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Profit or Loss Recognized (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022	Note
					Outward	Inward							
Symtek Automation China Co., Ltd.	Equipment manufacturing and sales	$ 818,750 (RMB 180,000 thousand)	(2) (Note 5)	$ 298,447	$ -	$ -	$ 298,447	$ 244,544	100%	$ 244,084 (Note 3)	$ 1,572,182	$ -	Note 8
Symtek Technology Jiangsu Co., Ltd.	Equipment manufacturing and sales	120,713 (RMB 27,000 thousand)	(3) (Note 6)	-	-	-	-	(9,815)	60% (Note 7)	(9,154) (Note 4)	65,539	-	Note 8

Accumulated Investments in Mainland China as of December 31, 2022	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$ 298,447 (HKD39,800 thousand and RMB30,000 thousand)	$ 793,440 (HKD48,000 thousand and RMB135,137 thousand)	$ 2,187,865

Note 1: The following three types of investment methods are distinguished and can be labeled as follows:

(1) Direct investment in Mainland China.

(2) Reinvesting in China through a third-party company (please specify the third-party investment company).

(3) Other methods.

Note 2: For the column of "Investment Profit or Loss Recognized ":

(1) If the investment is under preparation and no investment profit or loss is available, please specify.

(2) Investment profit or loss is recognized on the following three bases, which should be specified:

A. Financial statements audited by an international accounting firm with which the R.O.C. accounting firm has a cooperative relationship.

B. Financial statements audited by a certified public accountant of the parent company in Taiwan.

C. Others.

Note 3: The investment profit or loss was recognized based on Note 2, (2) B., which was based on the investee's financial statements audited by the parent company's accountants in Taiwan, and the net income of the investee was recognized in proportion to the equity in the investee's net income of $244,544 thousand, after adjusting for the realized gain or loss of $2,628 thousand and the unrealized gain or loss of $(3,088) thousand on the downstream transactions.

Note 4: The recognition basis for investment gains or losses is based on Note 2, item (2) B. Investment gains or losses are recognized based on the financial statements of the invested company during the same period as audited by the Taiwan parent company's accountant, and recognized according to the equity ratio. The net loss of the invested company was $9,154 thousand.

Note 5: The investment company in the third region is Symtek Automation Ltd.

Note 6: A company reinvested by the subsidiary Symtek Automation China Co., Ltd.

Note 7: In September 2022, Symtek China did not subscribe for the cash-increased shares of Symtek Jiangsu according to its shareholding proportion, resulting in a decrease in its shareholding proportion from 100% to 60%.

Note 8: The amount has been eliminated in the preparation of the consolidated financial statements.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

DETAILS OF SIGINIFICANT TRANSACTIONS WITH INVESTEES IN MAINLAND CHINA

YEAR 2022

TABLE 8 (In Thousands of New Taiwan Dollars)

1. Purchases

Investee Company	Third Jurisdiction Business	Trading Conditions			Purchase		Notes and Accounts Payable		Note
		Price	Payment Terms	Compared with General Trading	Amount	%	Amount	%	
Symtek Automation China Co., Ltd.	—	Under normal trading conditions	Within 3 months of delivery	Equivalent	$ 5,769	0.27%	$ 574	0.06%	-

2. Sales

Investee Company	Third Jurisdiction Business	Trading Conditions			Sale		Gross Profit on Sales	Unrealized Gross Profit on Sales	Notes and Accounts Receivable		Note
		Price	Payment Terms	Compared with General Trading	Amount	%			Amount	%	
Symtek Automation China Co., Ltd.	—	Under normal trading conditions	Within 4 months of delivery	Equivalent	$ 48,402	1.42%	$ 14,259	$ 3,088	$ 13,779	2.37%	-

Note: The amount has been eliminated in the preparation of the consolidated financial statements.

Symtek Automation Asia Co., Ltd.

INFORMATION OF MAJOR SHAREHOLDERS

December 31, 2022

TABLE 9

Name of Major Shareholder	Shares	
	Number of Shares Held	Percentage of Ownership (%)
Royal Max Holdings Limited	4,161,270	5.82%
Gudeng Precision Industrial Co., Ltd.	4,000,000	5.59%

Note 1: 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 preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of differences in the basis of preparation.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System website of the TWSE.

12.Parent company only financial statements for the most recent year

INDEPENDENT AUDITORS' REVIEW REPORT

To Symtek Automation Asia Co., Ltd.:

Audit opinion

We have audited the financial statements of Symtek Automation Asia Co., Ltd., which comprise the Parent Company Only Statement of Financial Position as of December 31, 2022 and December 31, 2021, the Parent Company Only Statement of Comprehensive Income from January 1 to December 31, 2022 and from January 1 to December 31, 2021, Parent Company Only Statement of Change in Equity, Parent Company Only Statement of Cash Flows, and Notes to Parent Company Only Financial Statement (including a summary of significant accounting policies).

In our opinion, the accompanying parent company only financial statements are properly drawn up in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standing Interpretations Committee (SIC) (hereinafter referred to as IFRSs) recognized and announced effectiveness by Financial Supervisory Commission (hereinafter referred to as FSC) so as to give a true and fair view of the parent company only financial position of Symtek Automation Asia Co., Ltd. as of December 2022 and 2021 and of the financial performance, changes in equity and cash flows of Symtek Automation Asia Co., Ltd. from January 1 to December 31, 2022 and 2021.

Basis for audit opinion

We conducted our audit in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the 'Accountant's responsibilities for the audit of the financial statements' section of our report. We are independent of Symtek Automation Asia Co., Ltd. in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting

Entities, 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

The key audit matter is which that, in our professional judgment, is most significant to our review of the parent company only financial statements of Symtek Automation Asia Co., Ltd. for 2022. Such matter has been considered in the process of examining the parent company only financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on the matter individually.

The following is the description of the key audit matter in the parent company only financial statements of Symtek Automation Asia Co., Ltd. for 2022:

Revenue recognition

Symtek Automation Asia Co., Ltd. generates revenue mainly from the sale of equipment and machines, which are custom-made machines. The sales of LCD panel and semiconductor automation equipment in 2022 were significant and showed significant growth, accounting for 38% of the total revenue. The transaction is subject to the completion of installation and confirmation by the customer. Therefore, we consider whether the sales of LCD panels and semiconductor automation equipment have actually occurred as a key audit matter.

We considered the Company's revenue recognition policy, evaluated and tested the effectiveness of the design and implementation of the internal control system with respect to each category of revenue for 2022, and performed verification tests on each category of sales transactions, including the selection of appropriate samples for verification of shipping orders, installation confirmations and invoices. In addition, we performed external confirmation procedures on samples of accounts receivable at December 31, 2022 for each category of sales, and verified that the sales to and from each category of sales were the same as those received at the reporting date and that there were no significant post-period sales returns to verify that the transactions had occurred.

Responsibilities of management and directors for the parent company only financial statements

Management's responsibility is to prepare the parent company only financial statements present fairly, in all material respects, according to Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as maintain necessary internal control related to the preparation of the parent company only financial statements in order to ensure there is no major untrue expression on the financial statements due to fraud or error.

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

The responsibilities of the governing body (including the audit committee) include overseeing the financial reporting process of Symtek Automation Asia Co., Ltd.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 GAAS 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 in the basis of these parent company only financial statements.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only 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 audit opinions. Because fraud may be related to conspiracy, forgery, deliberate omission, false statement or breach of internal control, the risk of a material misstatement caused by fraud which is not identified is higher than the risk of a material misstatement caused by any error.
2. Obtain an understanding of internal controls 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 internal control effectiveness of Symtek Automation Asia Co., Ltd.
3. Assess the appropriateness of management's use of accounting policies and the reasonability of the accounting estimate and relevant disclosure.
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 ability of Symtek Automation Asia Co., Ltd. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only 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 Symtek Automation Asia Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the relevant notes), and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. We have obtained sufficient and appropriate evidence to audit the parent company only financial information of Symtek Automation Asia Co., Ltd. to express an opinion on the parent company only financial statements. We are responsible for the guidance, supervision and execution of the audit and for forming an audit opinion on Symtek Automation Asia Co., Ltd.

We communicate with the governing body regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiency in internal controls that we identify during our audit).

We have also provided the governing body with a statement that the independence-regulated personnel of the firm to which we are affiliated have complied with the Code of Ethics for Professional Accountants with respect to independence, and communicate with the governing body about all relationships and other matters (including related protective measures) that may be considered to affect the accountant's independence.

We have determined the key audit matter for the audit of the Parent Company Only Financial Statements of Symtek Automation Asia Co., Ltd. for the year ended December 31, 2021 from the communications we have had with the governing body. We identified such matter in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, we decided not to communicate those matters in our auditor's report because we reasonably could expect the negative effect of such communication to outweigh the public interest.

Deloitte & Touche

CPA: Zhuang, Wen-Yuan

CPA: Yang, Qing-Zhen

FSC Approval Number:
Jin-Guan-Zheng-Shen-Zi
No. 1090347472

SFB Approval Number:
Tai-Cai-Zheng-Liu-Zi
No. 0920123784

February 25, 2023

SYMTEK AUTOMATION ASIA CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

CODE	ASSETS	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 6)	$ 515,429	8	$ 1,093,203	21
1110	Financial assets at fair value through profit or loss – current (Note 17)	-	-	116	-
1136	Financial assets at amortized cost – current (Note 8 and 31)	-	-	19,740	-
1140	Contract assets - current (Note 23)	451,381	7	294,633	6
1150	Notes receivable, net (Note 9)	6,758	-	8,188	-
1170	Accounts receivable, net (Note 9 and 23)	544,428	8	551,475	10
1180	Accounts receivable - related parties (Note 30)	13,779	-	17,199	-
1200	Other receivables (Note 9 and 29)	30,301	1	47,377	1
1210	Other receivables - related parties (Note 30)	37,855	1	31,771	1
130X	Inventories (Note 10)	1,423,937	22	814,310	16
1479	Other current assets (Note 15)	28,141	-	10,791	-
11XX	Total current assets	3,052,009	47	2,888,803	55
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through profit or loss - non-current (Note 7)	120,443	2	137,019	3
1550	Investments accounted for using the equity method (Note 11)	1,572,182	24	1,307,889	25
1600	Property, plant and equipment (Note 12 and 31)	1,606,059	25	633,695	12
1755	Right-of-use assets (Note 13)	32,172	1	6,285	-
1821	Intangible assets (Note 14)	10,180	-	7,719	-
1840	Deferred tax assets (Note 25)	66,395	1	38,571	1
1990	Other non-current assets (Note 15)	14,583	-	200,839	4
15XX	Total non-current assets	3,422,014	53	2,332,017	45
1XXX	TOTAL	$ 6,474,023	100	$ 5,220,820	100
CODE	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term loans (Note 16)	$ 160,000	3	$ 100,000	2
2130	Contract liabilities – current (Note 23)	242,795	4	214,907	4
2170	Accounts payable (Note 18)	953,782	15	882,757	17
2180	Accounts payable - related parties (Note 30)	574	-	1,366	-
2200	Other payables (Note 19)	348,091	5	288,491	6
2230	Current income tax liabilities (Note 25)	124,885	2	71,510	1
2250	Provision for liabilities - current (Note 20)	57,000	1	36,000	1
2280	Lease liabilities - current (Note 13)	20,951	-	3,525	-
2321	Puttable corporate bonds within one year (Note 17)	-	-	88,050	2
2322	Long-term loans due within one year (Note 16)	20,240	-	20,240	-
2399	Other current liabilities (Note 19)	3,254	-	2,079	-
21XX	Total current liabilities	1,931,572	30	1,708,925	33
	NON-CURRENT LIABILITIES				
2540	Long-term loans (Note 16)	725,971	11	76,211	1
2570	Deferred tax liabilities (Note 25)	156,470	3	104,158	2
2580	Lease liabilities - non-current (Note 13)	11,342	-	2,790	-
2670	Total non-current liabilities (Note 19)	2,227	-	2,455	-
25XX	Total non-current liabilities	896,010	14	185,614	3
2XXX	Total liabilities	2,827,582	44	1,894,539	36
	EQUITY (Note 22)				
	Share capital				
3110	Ordinary shares	714,317	11	692,572	14
3130	Certificate of conversion to acquire new stocks	-	-	8,447	-
3100	Total share capital	714,317	11	701,019	14
3200	Capital surplus	1,506,096	23	1,428,094	27
	Retained earnings				
3310	Legal reserve	357,550	5	292,385	6
3320	Special reserve	34,942	1	34,708	1
3350	Unappropriated earnings	1,054,940	16	905,017	17
3300	Total retained earnings	1,447,432	22	1,232,110	24
3400	Other equity	(21,404)	-	(34,942)	(1)
3XXX	Total equity	3,646,441	56	3,326,281	64
	TOTAL	$ 6,474,023	100	$ 5,220,820	100

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

Chairman: Kuan, Chin-Kun General Manager: Wang, Nien-Ching Accounting Supervisor: Chiu, Ching-Hsiang

SYMTEK AUTOMATION ASIA CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021

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

CODE		2022 AMOUNT	2022 %	2021 AMOUNT	2021 %
	OPERATING REVENUE, NET (Note 23 and 30)				
4100	Sales revenue	$ 3,414,489	100	$ 2,602,534	100
	OPERATING COSTS (Note 10, 24 and 30)				
5110	Cost of goods sold	(2,318,233)	(68)	(1,680,369)	(64)
5900	GROSS PROFIT	1,096,256	32	922,165	36
5910	UNREALIZED GAIN FROM SALES	(3,088)	-	(2,628)	-
5920	REALIZED GAIN FROM SALES	2,628	-	3,151	-
5950	REALIZED GROSS PROFIT	1,095,796	32	922,688	36
	OPERATING EXPENSES (Note 9, 23 and 24)				
6100	Selling and marketing expenses	(85,008)	(3)	(69,240)	(3)
6200	General and administrative expenses	(217,347)	(6)	(233,969)	(9)
6300	Research and development expenses	(279,442)	(8)	(257,104)	(10)
6450	Reversal of expected credit loss	16,580	-	19,290	1
6000	Total operating expenses	(565,217)	(17)	(541,023)	(21)
6900	PROFIT FROM OPERATIONS	530,579	15	381,665	15
	NON-OPERATING INCOME AND EXPENSES (Note 11, 24 and 30)				
7100	Interest income	1,378	-	259	-
7010	Other income	77,319	2	73,567	3
7020	Other gains and losses	17,344	1	(11,894)	(1)
7050	Financial cost	($ 13,197)	-	($ 7,728)	-
7070	Profit or loss of subsidiaries recognized under the equity method	244,544	7	352,316	13
7000	Total non-operating income and expenses	327,388	10	406,520	15

7900	PROFIT BEFORE INCOME TAX	857,967	25	788,185	30
7950	INCOME TAX EXPENSE (Note 25)	(190,973)	(5)	(136,539)	(5)
8200	NET PROFIT FOR THE YEAR	666,994	20	651,646	25
	OTHER COMPREHENSIVE INCOME				
8310	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income	(1,576)	-	5,393	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	17,017	-	(7,034)	-
8399	Income taxes related to items that may be reclassified (Note 25)	(3,403)	-	1,406	-
8300	Other comprehensive income (loss) for the year, net of income tax	12,038	-	(235)	-
8500	TOTAL COMPREHENSIVE INCOME	$ 679,032	20	$ 651,411	25
	EARNINGS PER SHARE (Note 26)				
9710	Basic	$ 9.41		$ 10.15	
9810	Diluted	$ 9.28		$ 9.50	

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

Chairman: Kuan, Chin-Kun

General Manager: Wang, Nien-Ching

Accounting Supervisor: Chiu, Ching-Hsiang

SYMTEK AUTOMATION ASIA CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

		Shares				Retained earnings				Other equity			
Code		Ordinary shares	Certificate of conversion to acquire new stocks	Total	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of the financial statements of foreign operations	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	Total	Total equity
A1	Balance at January 1, 2021	$ 603,156	$ -	$ 603,156	$ 735,707	$ 254,459	$ 48,199	$ 537,096	$ 839,754	($ 25,212)	($ 9,495)	($ 34,707)	$ 2,143,910
	Appropriation of the 2020 earnings												
B1	Legal reserve	-	-	-	-	37,926	-	(37,926)	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	(13,491)	13,491	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(259,290)	(259,290)	-	-	-	(259,290)
D1	Net profit for 2021	-	-	-	-	-	-	651,646	651,646	-	-	-	651,646
D3	Other comprehensive income (loss) for 2021, net of income tax	-	-	-	-	-	-	-	-	(5,628)	5,393	(235)	(235)
D5	Total comprehensive income for 2021	-	-	-	-	-	-	651,646	651,646	(5,628)	5,393	(235)	651,411
E1	Seasoned equity offering	40,000	-	40,000	340,000	-	-	-	-	-	-	-	380,000
I1	Conversion of convertible bonds	37,146	8,447	45,593	258,031	-	-	-	-	-	-	-	303,624
J1	Share exchange issuance of common shares	12,270	-	12,270	94,356	-	-	-	-	-	-	-	106,626
Z1	Balance at December 31, 2021	692,572	8,447	701,019	1,428,094	292,385	34,708	905,017	1,232,110	(30,840)	(4,102)	(34,942)	3,326,281
	Appropriation of the 2021 earnings												
B1	Legal reserve	-	-	-	-	65,165	-	(65,165)	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	234	(234)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(450,172)	(450,172)	-	-	-	(450,172)
D1	Net profit for 2022	-	-	-	-	-	-	666,994	666,994	-	-	-	666,994
D3	Other comprehensive income (loss) for 2022, net of income tax	-	-	-	-	-	-	-	-	13,614	(1,576)	12,038	12,038
D5	Total comprehensive income for 2022	-	-	-	-	-	-	666,994	666,994	13,614	(1,576)	12,038	679,032
I1	Conversion of convertible bonds	21,745	(8,447)	13,298	74,810	-	-	-	-	-	-	-	88,108
Q1	Disposal of financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	(1,500)	(1,500)	-	1,500	1,500	-
M7	Recognition of changes in ownership equity of subsidiary	-	-	-	3,192	-	-	-	-	-	-	-	3,192
Z1	Balance at December 31, 2022	$ 714,317	$ -	$ 714,317	$ 1,506,096	$ 357,550	$ 34,942	$ 1,054,940	$ 1,447,432	($ 17,226)	($ 4,178)	($ 21,404)	$ 3,646,441

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

Chairman: Kuan, Chin-Kun General Manager: Wang, Nien-Ching Accounting Supervisor: Chiu, Ching-Hsiang

SYMTEK AUTOMATION ASIA CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

CODE		2022	2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 857,967	$ 788,185
A20010	Adjustments for:		
A20100	Depreciation expenses	29,814	18,400
A20200	Amortization expenses	19,564	16,010
A20300	Reversal of expected credit loss	(16,580)	(19,290)
A20400	Net gain on financial assets and liabilities at fair value through profit or loss	-	(350)
A20900	Financial cost	13,197	7,728
A21200	Interest income	(1,378)	(259)
A21300	Dividend income	(3,590)	(1,459)
A22400	Gains on subsidiaries using the equity method	(244,544)	(352,316)
A23100	Net gain/loss on disposal of financial assets	(1,777)	-
A23700	(Reversal of) inventory write-down	81,000	(23,000)
A23900	Unrealized gain with subsidiaries	3,088	2,628
A24000	Realized gain with subsidiaries	(2,628)	(3,151)
A24100	Loss on foreign currency exchange	54	1,254
A30000	Changes in operating assets and liabilities		
A31125	Contract assets	(153,718)	(297,793)
A31130	Notes receivable	1,430	(7,377)
A31150	Accounts receivable	21,185	(43,709)
A31160	Accounts receivable - related parties	3,420	11,841
A31180	Other receivables	17,076	(10,385)
A31190	Other receivables - related parties	(6,084)	431
A31200	Inventories	(690,627)	(357,247)
A31240	Other current assets	(32,496)	(10,472)
A32125	Contract liabilities	27,888	152,953
A32150	Accounts payable	70,383	402,165
A32160	Accounts payable - related parties	(792)	682
A32180	Other payables	50,971	111,720
A32200	Provision for liabilities - current	21,000	14,000
A32230	Other current liabilities	1,175	379
A33000	Cash generated from operations	64,998	401,568
A33100	Interest received	1,378	259
A33300	Interest paid	($ 11,561)	($ 4,076)
A33500	Income tax paid	(116,513)	(36,190)
AAAA	Net cash generated from (used in) operating activities	(61,698)	361,561
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	-	(1,000)

B00020	Sale of financial assets measured at fair value through other comprehensive income	15,000	-
B00040	Acquisition of financial assets measured at amortized cost	-	(19,740)
B00050	Disposal of financial assets measured at amortized cost	19,740	-
B00100	Acquisition of financial assets measured at fair value through profit or loss	(8,487)	-
B00200	Sale of financial assets measured at fair value through profit or loss	10,264	-
B02700	Acquisition of property, plant and equipment	(788,979)	(4,693)
B03800	Increase in refundable deposits	(3,751)	(461)
B04500	Payments for intangible assets	(6,464)	(6,878)
B06700	Increase in other non-current assets	(1,143)	-
B07300	Increase in prepayments for land and buildings	-	(190,735)
B07600	Dividends received	3,590	1,459
BBBB	Net cash used in investing activities	(760,230)	(222,048)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	500,000	200,000
C00200	Decrease in short-term borrowings	(440,000)	(167,500)
C01600	Proceeds from long-term borrowings	670,000	-
C01700	Repayment of long-term loans	(20,240)	(20,240)
C04020	Repayment of the principal portion of lease liabilities	(15,206)	(3,961)
C04300	Decrease in other non-current liabilities	(228)	(869)
C04500	Dividends paid	(450,172)	(259,290)
C04600	Seasoned equity offering	-	380,000
CCCC	Net cash generated from financing activities	244,154	128,140
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(577,774)	267,653
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,093,203	825,550
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 515,429	$ 1,093,203

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

Chairman: Kuan, Chin-Kun

General Manager: Wang, Nien-Ching

Accounting Supervisor: Chiu, Ching-Hsiang

SYMTEK AUTOMATION ASIA CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021

(In thousands of New Taiwan Dollars, unless stated otherwise)

1. GENERAL INFORMATION

Symtek Automation Asia Co., Ltd. (hereinafter referred to as "the Company") was established in October 1999 in Taoyuan City, Taiwan, and is mainly engaged in the manufacture and sale of automation equipment and related products.

The Company's stock has been officially OTC-listed on the Taipei Exchange (TPEx) since April 2017 and was discontinued on January 19, 2021, and was exchange-listed on the Taiwan Stock Exchange (TWSE) on the same day.

The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors on February 24, 2023.

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

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

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 - "Disclosure of Material Accounting Policy Information"	January 1, 2023 (Note 1)
Amendments to IAS 8 - "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 - "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: This revision applies to reporting periods beginning on or after January 1, 2023.

Note 2: This revision applies to accounting estimate changes and accounting policy changes occurring during reporting periods beginning on or after January 1, 2023.

Note 3: Except for the temporary differences related to deferred income taxes recognized for lease and decommissioning obligations as of January 1, 2022, this revision applies to transactions occurring on or after January 1, 2022.

As of the date of issuance of this parent company only financial report, the Company has evaluated the revised criteria and interpretations and concluded that they will not have a significant impact on its financial condition and financial performance.

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

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

Note 1: Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual reporting periods beginning after the respective dates.

Note 2: The seller and lessee should retrospectively apply the amendments to IFRS 16 to sale and leaseback transactions entered into after the initial application of IFRS 16.

As of the date of adoption of this parent company only financial statements, the Company is still evaluating the impact of the amendments to other standards and interpretations on the financial position and financial performance, which will be disclosed when the evaluation is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. Statement of Compliance

The parent company only financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

ii. Basis of Preparation

The parent company only financial statements have been prepared on the historical cost basis, except for financial instruments carried at fair value and net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets.

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

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs are unobservable inputs for the asset or liability.

In preparing the parent company only financial statements, the Company applies the equity method to its investments in subsidiaries, associates or joint ventures. In order to make the profit or loss for the year, other comprehensive income and equity in the parent company only financial statements the same as the profit or loss for the year, other comprehensive income and equity attributable to the owners of the Company in the consolidated financial statements, certain accounting differences between the parent company only basis and the consolidated basis are adjusted for "investments accounted for under the equity method", "share of profit or loss of subsidiaries, associates and joint ventures accounted for under the equity method", "share of other comprehensive income or loss of subsidiaries, associates and joint ventures accounted for under the equity method" and related equity items.

iii. Standard in determining whether the asset or liability are current or non-current

Current assets include:

1. assets held mainly for transaction purposes;
2. assets to be realized within 12 months of the asset balance sheet; and
3. cash and cash equivalents (but not including cash used to exchange or clear liability within 12 months of the asset balance sheet).

Current liabilities include:

1. liabilities held mainly for transaction purposes;

2. liabilities due for payment within 12 months after the balance sheet date (current liabilities are classified as current even if a long-term refinancing or rescheduling agreement is completed after the balance sheet date and before the adoption of the financial statements); and
3. the business entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. However, the terms of the liabilities may be settled by issuing equity instruments at the option of the counter-parties, which does not affect the classification.

Assets or liabilities not classified within the above definitions will be classified as non-current assets and liabilities.

iv. Foreign currency

When preparing financial statements, the Company translates transactions in currencies other than the functional currency of the Company (foreign currencies) into the functional currency at the exchange rates prevailing on the transaction dates.

Monetary items denominated in foreign currencies are translated at the closing rate at each balance sheet date. Exchange differences arising from the settlement of monetary items or the translation of monetary items are recognized in profit or loss in the period in which they occur.

Non-monetary items measured at fair value in foreign currencies are translated at the exchange rates prevailing on the date when the fair value was determined, and the resulting exchange differences are recognized in profit or loss in the current period. However, if the change in fair value is recognized in other comprehensive income, the resulting exchange differences are recorded as other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rates ruling at the dates of transactions and are not retranslated.

For the purpose of preparing parent company only financial statements, assets and liabilities of the Company and foreign operations (including subsidiaries that operate in countries or currencies different from those of the Company) are translated into New Taiwan Dollars at the exchange rates prevailing on each balance sheet date. Income and expense items are translated at the average exchange rate for the period and the resulting exchange differences are included in other comprehensive income.

v. Inventory

Inventories include raw materials, work in process and finished goods. Inventories are measured at the lower of cost or net realizable value. Comparisons between cost and net realizable value are made on an item-by-item basis, except for inventories of the same type. Net realizable value is the estimated selling price under normal circumstances, less estimated costs to complete and estimated costs to sell. The cost of inventories is calculated using the weighted-average method.

vi. Property, plant and equipment

Property, plant, and equipment are recognized by cost, and then measured by cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction are recognized at cost less accumulated impairment losses. Cost includes fees for professional services and borrowing costs eligible for capitalization. Samples of these assets are measured at the lower of cost or net realizable value when the assets are tested for proper functioning before they reach their intended use, and the sales price and cost are recognized in profit or loss. These assets are classified into the appropriate categories of property, plant and equipment and depreciation commences when they are completed and in their intended state of use.

Self-owned land is not depreciated. Property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. The Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in applicable accounting estimates.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss when property, plant, and equipment are derecognized.

vii. Intangible assets

1. Separately acquired

Intangible assets with limited duration acquired separately were initially measured at cost and subsequently at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized over their useful lives on a straight-line basis and the estimated useful lives, residual values and amortization method are reviewed at least at each year-end and the effect of changes in applicable accounting estimates is deferred. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

2. Derecognition

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss of the year when intangible assets are derecognized.

viii. Property, plant and equipment, right-of-use assets and intangible assets

At each balance sheet date, the Company assesses whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may be impaired. If there is any indication of impairment, the recoverable amount of the asset is estimated, and if the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and whenever there is an indication of impairment.

The recoverable amount is the higher fair value less selling cost and use value. If the recoverable amount of an individual asset or cash generating unit is less than its carrying amount, the carrying amount of the asset or cash generating unit shall be reduced to its recoverable amount, with the impairment loss recognized in profit or loss.

When the following recoverable amount increases, the carrying amount of the asset, cash generating unit or contract asset increases to the amount that can be recovered after the revision. However, the increased carrying amount shall not exceed that (minus amortization or depreciation) determined by the asset, cash generating unit or contract asset where the impairment loss was not recognized in the previous year. The reversal of impairment loss is recognized in profit or loss.

ix. Financial instruments

Financial assets and financial liabilities are recognized in the Parent Company Only Statement of Financial Position when the Parent Company Only Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets and financial liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

The transaction practice of the financial assets adopts accounting recognition and de-recognition on the transaction day.

(1) Measurement types

The types of financial assets held by the Company are financial assets at fair value through profit or loss, financial assets at amortized cost, investments in debt instruments at fair value through other comprehensive income, and investments in equity instruments at fair value through other comprehensive income.

A. Financial assets measured at FVTPL

Financial assets measured at FVTPL includes financial assets mandatorily measured at FVTPL. Financial assets mandatorily measured at FVTPL include investments in equity instruments not designated as measured at FVTOCI, and investments in debt instruments that do not qualify for classification as measured at amortized cost or measured at FVTOCI.

Financial assets measured at fair value through profit or loss are measured at fair value, with remeasurement gains or losses recognized in other gains and losses. For the determination of fair value, please refer to Note 29.

B. Financial assets at amortized cost

The Company’s investments in financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

a. they are held within an operating model whose objective is to hold the financial assets to collect the contractual cash flows; and
b. the contractual terms give rise to cash flows at a specific date, which are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost and time deposits with original maturity of more than 3 months) are measured at amortized cost using the effective interest method to determine the total

carrying amount less any impairment loss after initial recognition, with any foreign currency exchange gain or loss recognized in profit or loss. Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except in the following two cases:

a. Interest income on credit-impaired financial assets acquired or created is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.
b. Interest income on credit-impaired financial assets that are not acquired or originated but subsequently become credit-impaired is computed using the effective interest rate multiplied by the amortized cost of the financial assets from the next reporting period after the impairment.

A credit-impaired financial asset is one for which the issuer or the debtor has experienced significant financial difficulties, defaulted, it is probable that the debtor will declare bankruptcy or other financial reorganization, or an active market for the financial asset has disappeared due to financial difficulties.

Cash equivalents include time deposits that are highly liquid, readily convertible into known amounts of cash and subject to a low risk of changes in value within 3 months from the date of acquisition and are used to meet short-term cash commitments.

C. Investments in debt instruments measured at FVTOCI

The Company's investments in debt instruments are classified as financial assets measured at fair value through other comprehensive income if both of the following conditions are met:

a. they are held under an operating model whose objective is achieved through the receipt of contractual cash flows and the sale of financial assets; and
b. the contractual terms give rise to cash flows at a specific date, which are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments measured at fair value through other comprehensive income are measured at fair value. Changes in the

carrying amounts of interest income, foreign currency exchange gains or losses, and impairment losses or reversal gains that are accounted for by the effective interest method are recognized in profit or loss, while the remaining changes are recognized in other comprehensive income and reclassified to profit or loss when the investments are disposed of.

D. Investment in equity instruments measured at FVTOCI

At initial recognition, the Company has an irrevocable option to designate investments in equity instruments that are not held for trading and for which there is contingent consideration recognized by the acquirer of the business combination to be measured at FVTOCI.

Investments in equity instruments measured at FVTOCI are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. On disposal of investments, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

Dividends on investments in equity instruments measured at FVTOCI are recognized in profit or loss when the right to receive payments from the Company is established, unless it is clear that the dividend represents a partial recovery of the cost of the investment.

(2) Impairment of financial assets and contract assets

The Company assesses impairment losses on financial assets measured at fair value through profit or loss, financial assets measured at amortized cost (including accounts receivable), investments in debt instruments measured at fair value through other comprehensive income, operating lease receivables and contract assets at each balance sheet date based on expected credit losses.

Accounts receivable, operating lease payments receivable and contract assets are recognized as an allowance for loss based on expected credit losses during the period of duration. Other financial assets are first evaluated to determine whether there is a significant increase in credit risk since initial recognition. If not, they are recognized as an allowance for loss based on expected credit losses over 12 months, and if so, based on expected credit losses over the duration period.

Expected credit losses represent the weighted-average credit losses based on the risk of default. 12-month expected credit losses represent the expected credit losses arising from possible defaults of financial instruments within 12 months after the reporting date. The 12-month expected credit losses represent the expected credit losses arising from all possible defaults of the financial instruments during the 12-month period after the reporting date.

For internal credit risk management purposes, the Company determines that a financial asset is in default if there is internal or external information indicating that it is no longer probable that the debtor will settle the obligation without considering the collateral held.

The carrying amount of all financial assets is reduced through an allowance account, except for the allowance for losses on investments in debt instruments measured at fair value through other comprehensive income, which is recognized in other comprehensive income and the carrying amount is not reduced.

(3) Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets have lapsed or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

When financial assets are derecognized in their entirety at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. When investments in equity instruments measured at fair value through other comprehensive income are derecognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instruments

Debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized at the amount of the acquisition price less direct issuance costs.

The Company's own equity instruments are recognized and derecognized under equity. The purchase, sale, issuance or cancellation of the Company's own equity instruments are not recognized in profit or loss.

3. Financial liability

   (1) Subsequent measurement

   The financial liabilities of the Company are measured at amortized cost using the effective interest method.

   (2) Derecognition of financial liability

   Any difference between the carrying amount of a financial liability at the time of derecognition and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4. Convertible bonds

   The components of compound financial instruments (convertible bonds) issued by the Company are classified as financial liabilities and equity, respectively, on initial recognition, based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

   On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument and is measured at amortized cost using the effective interest method until the date of conversion or maturity. Liability components that are embedded in non-equity derivatives are measured at fair value.

   The conversion right classified as equity is equal to the remaining amount of the fair value of the compound instrument as a whole less the fair value of the liability component determined separately and is recognized in equity, net of the income tax effect, and is not subsequently measured. When the conversion right is exercised, the related liability component and the amount in equity are transferred to equity and capital surplus - issue premium. If the conversion right of the convertible bonds is not executed on the maturity date, the amount recognized in equity will be transferred to capital surplus - issue premium.

   Transaction costs related to the issuance of convertible bonds are allocated to the liability (included in the carrying amount of the liability) and equity components (included in equity) of the instrument in proportion to the total apportioned price.

x. Provision for liabilities

The amount recognized as provision for liabilities (including contractual obligations arising from service concession agreements specifically stating that the infrastructure shall be maintained or restored prior to its return to the grantor and all types of payments legally imposed by the government) is the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risk and uncertainty of the obligation. Provision for liabilities is measured at the discounted value of the estimated cash flows from the settlement of the obligation.

Warranty

The warranty obligation to conform to the specifications of the agreement is based on management's best estimate of the expenses required to settle the Company's obligations and is recognized as revenue from the related merchandise.

xi. Income recognition

The Company allocates the transaction price to each performance obligation after the performance obligation is identified in the customer contract and recognizes revenue when each performance obligation is satisfied.

For contracts with a time lag between the transfer of goods or services and the receipt of consideration of less than one year, no adjustment is made to the transaction price for significant financial components.

Merchandise sales revenue

Merchandise sales revenue is derived from the sale of equipment and machinery. Depending on the nature of the product, sales revenue and accounts receivable/contract assets are recognized when the customer has satisfied the obligation to control the product upon delivery or installation of the machine, respectively, and are transferred to accounts receivable when the remaining obligation is satisfied. Prepayments are recognized as contract liabilities until the delivery or installation of the machine is confirmed.

Upon processing with materials supplied, control of the processed products is not transferred, therefore, no revenue is recognized upon materials supplied.

xii. Lease

The Company assesses whether a contract is (or contains) a lease at the contract inception date.

1. The Company as lessor

If the lease clauses transfer nearly all risks and compensation associated with the assets to the lessee, the lease shall be classified as finance lease. All other leases shall be classified as business lease.

Under finance leases, lease payments consist of fixed payments, and net lease investments are measured as the sum of the present value of lease payments receivable and unguaranteed residual value plus original direct costs and expressed as finance lease receivables. Finance income is apportioned to each accounting period to reflect the fixed rate of return that the Company's outstanding net lease investments can earn in each period.

Under operating leases, lease payments, net of lease incentives, are recognized as income on a straight-line basis over the term of the relevant lease. The original direct cost incurred in acquiring an operating lease is added to the carrying amount of the subject asset and recognized as an expense on a straight-line basis over the lease term.

2. The Company as lessee

Right-of-use assets and lease liabilities are recognized at the inception date of the lease, except for leases of low-value subject assets to which a recognition exemption applies and short-term leases where lease payments are recognized as an expense on a straight-line basis over the lease term.

Right-of-use assets are measured initially at cost (comprising the original measurement of the lease liability, lease payments made prior to the commencement date of the lease less lease incentives received, original direct cost and estimated cost to reinstate the subject asset) and subsequently at cost less accumulated depreciation and accumulated impairment losses, with adjustments for remeasurement of the lease liability. Right-of-use assets are presented separately on Statement of Financial Position.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life or the end of the lease term.

Lease obligations are measured initially at the present value of the lease payments (including fixed benefits and real fixed benefits, less lease incentives received). If the implied interest rate of the lease is readily determinable, the lease payments are discounted using that rate. If the rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is amortized over the lease term. If there is a change in future lease payments due to changes in the lease period or in the index or rate used to determine the lease payments, the Company remeasures the lease liability and adjusts the right-of-use asset accordingly, but if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately in the balance sheet.

xiii. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an eligible asset are included as part of the cost of the asset until substantially all activities necessary to bring the asset to its intended use or sale condition have been completed.

Investment income earned on temporary investments of specific borrowings made to fund qualifying capital expenditure is deducted from the borrowing costs that are eligible for capitalization.

Except as described above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

xiv. Employee benefits

1. Short-term employee benefits

   The liability related to short-term employee benefits is measured as the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

   Defined benefit pension plans are recognized as expenses over the period of service of the employees.

3. Other long-term employee benefits

   The accounting treatment of other long-term employee benefits is the same as that of defined benefit pension plans, except that the related remeasurements are recognized in profit or loss.

xv. Income tax

Income tax expense is the sum of current income taxes and deferred income taxes.

1. Current income tax

The Company determines the current income (loss) in accordance with the regulations of each jurisdiction in which it files income tax returns and calculates the income tax payable (recoverable) accordingly.

The income tax on undistributed earnings under the Income Tax Act of the ROC is recognized in the year of the resolution of the shareholders' meeting.

Adjustments to prior years' income tax payable are included in the current period's income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary differences between the carrying amount of assets and liabilities on the books and the basis for the calculation of taxable income.

Deferred tax liabilities are generally recognized for all temporary differences in taxable income, while deferred tax assets are recognized when there is a high likelihood that the taxable income will be used as a tax deduction for deductible temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and the temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced for those where it is no longer probable that there will be sufficient taxable income to allow all or part of the assets to be recovered. Deferred tax assets not previously recognized as such are also reviewed at each balance sheet date and the carrying amount is increased for those where it is probable that taxable income will be available to recover all or part of the assets.

Deferred tax assets and liabilities are measured by the tax rate of the expected liabilities settlement or assets realization in the current period, according to the tax rate and the tax law which have been legalized or substantively legalized on the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences of the way in which the Company is expected to recover or pay off the carrying amount of its assets and liabilities on the balance sheet date.

3. Current and deferred tax

The current and deferred tax are recognized in profit or loss, provided that the current and deferred tax in relation to the items recognized in other comprehensive income or directly included in equity are recognized in other comprehensive income or directly included in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When the Company adopts an accounting policy, management must make relevant judgments, estimates, and assumptions of relevant information that is difficult to obtain from other sources based on historical experience and other relevant factors.

The management will review the estimates and underlying assumptions on an ongoing basis. If an amendment to an estimate affects only the current period, the amendment is recognized in the period in which it is made. If an amendment to an accounting estimate affects both the current and future periods, the amendment is recognized in both the current and future periods.

Key sources of estimation and assumption uncertainty

i. Estimated impairment of financial assets and contract assets

Estimated impairment of accounts receivable, investments in debt instruments and contract assets are based on the Company's assumptions about default rates and expected loss rates. The Company considers historical experience, current market conditions and forward-looking information to make assumptions and select input values for the impairment assessment. Please refer to Note 9 for the significant assumptions and inputs used. If actual future cash flows are less than expected, a significant impairment loss could result.

ii. Impairment of Inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to complete and estimated costs to complete the sale, and is based on current market conditions and historical sales experience for similar products; changes in market conditions may materially affect the results of these estimates.

6. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 147	$ 194
Checking accounts and demand deposits	515,282	1,093,009
	$ 515,429	$ 1,093,203

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments

	December 31, 2022	December 31, 2021
Non-current		
Domestic investment		
Listed shares		
SynPower Co., Ltd.	$ 110,813	$ 105,159
Unlisted shares		
New Smart Technology Co., Ltd.	8,630	30,860
Ever Radiant Inc.	-	-
Gtalent Co., Ltd.	1,000	1,000
	$ 120,443	$ 137,019

The Company invests under a medium- to long-term strategy and expects to earn profits from its long-term investments. The management of the Company believes that it would be inconsistent with the aforementioned long-term investment plan to include short-term fair value fluctuations of these investments in profit or loss, and therefore has elected to designate these investments as measured at fair value through other comprehensive income.

The management of the Company considered that the fair value of the stock investment in Ever Radiant Inc. could not be measured reliably. The stock investment was valued as a receivable and an impairment loss of $8,953 thousand was recognized as of December 31, 2019, the acquisition date, because of the decline in the assessed value of the stock investment.

On May 17, 2021, the Company issued 1,227 thousand common shares at a premium of NT$86.9 per share to SynPower Co., Ltd. The SynPower Co., Ltd. also issued 2,700 thousand common shares to the Company as consideration for the transfer of each other's shares, which was designated as fair value through other comprehensive income because

the acquisition of SynPower's shares is a medium- to long-term strategic purpose investment (see Note 27).

On August 11, 2021, the Company invested in Gtalent Co., Ltd. for NT$1,000 thousand, which is designated as an investment at fair value through other comprehensive income and loss because it is a medium- to long-term strategic investment in view of the Company's diversification and expansion of its human resources recruitment pipeline.

In July 2022, the Company adjusted its investment portfolio to diversify risks and sold a portion of its ordinary shares in New Smart Technology Co., Ltd. for a fair value of $15,000 thousand. The unrealized fair value loss of $1,500 thousand on other equity - financial assets measured at fair value through other comprehensive income was then transferred to retained earnings.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2022	December 31, 2021
Current		
Time deposits with original maturities of more than 3 months	$ -	$ 19,740

As of December 31, 2021, the interest rate range for time deposits with original maturity over 3 months is 0.09% per annum.

Please refer to Note 31 for information relating to pledged assets.

9. NOTES RECEIVABLE, TRADE RECEIVABLE AND OTHER RECEIVABLES

	December 31, 2022	December 31, 2021
Notes receivable - Arising from operating activities		
At amortized cost		
Gross carrying amount	$ 6,758	$ 8,188
Less: Allowance for impairment loss	-	-
	$ 6,758	$ 8,188
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 431,813	$ 456,738
Less: Allowance for impairment loss	(16,970)	(30,520)
	414,843	426,218
At fair value through other comprehensive income	129,585	125,257
	$ 544,428	$ 551,475

Other receivables		
Income tax refund receivable	$ -	$ 1,044
Transfer of accounts receivable factoring	30,301	46,333
	$ 30,301	$ 47,377

Accounts receivable

i. Receivables measured at amortized cost

To mitigate credit risk, the Company's management assigns a dedicated team to determine credit limits, approve credit facilities and other monitoring procedures to ensure that appropriate actions have been taken to collect overdue receivables. In addition, the Company reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible receivables. Accordingly, the Company's management believes that the credit risk of the Company has been significantly reduced.

The Company recognizes allowance for loss on accounts receivable on the basis of lifetime expected credit losses, which are calculated using a reserve matrix that takes into account the customer's past default history, current financial condition, industry economic conditions, and GDP forecast and industry outlook. The Company uses an allowance matrix, which takes into account the customer's past defaults, current financial condition, the economic situation of the industry, as well as the GDP forecast and industry outlook. Because the Company's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the allowance matrix does not further differentiate between customer groups and only uses the number of days that the accounts receivable is past due to determine the expected credit losses rate.

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

ii. Accounts receivable at fair value through other comprehensive income

Accounts receivable at fair value through other comprehensive income

For certain accounts receivable from customers, the Company decides to sell them to banks on a non-recourse basis or not, depending on the working capital situation. The Company manages these accounts receivable by collecting contractual cash flows and

selling financial assets for this purpose. Therefore, such accounts receivable are measured at fair value through other comprehensive income.

The following table details the loss allowance of note and trade receivables based on the Company's allowance matrix:

December 31, 2022

	No signs of default by counterparties						
	Not Past Due	Due in 1-90 Days	Due in 91-180 Days	Due in 181-270 Days	Due in 271-365 Days	Due in More than 366 Days	Total
Expected credit loss	0.25%	0.61%	1.36%	2.52%	27.62%	100.00%	
Gross carrying amount	$ 416,730	$ 95,039	$ 21,831	$ 17,205	$ 3,791	$ 13,560	$ 568,156
Allowance for impairment loss (lifetime ECLs)	(1,055)	(579)	(296)	(433)	(1,047)	(13,560)	(16,970)
Amortized cost	$ 415,675	$ 94,460	$ 21,535	$ 16,772	$ 2,744	$ -	$ 551,186

December 31, 2021

	No signs of default by counterparties						
	Not Past Due	Due in 1-90 Days	Due in 91-180 Days	Due in 181-270 Days	Due in 271-365 Days	Due in More than 366 Days	Total
Expected credit loss	0.38%	7.52%	23.20%	42.27%	64.57%	100.00%	
Gross carrying amount	$ 480,474	$ 46,569	$ 34,364	$ 16,380	$ 5,933	$ 6,463	$ 590,183
Allowance for impairment loss (lifetime ECLs)	(1,824)	(3,504)	(7,974)	(6,924)	(3,831)	(6,463)	(30,520)
Amortized cost	$ 478,650	$ 43,065	$ 26,390	$ 9,456	$ 2,102	$ -	$ 559,663

Information on the changes in the allowance for losses on notes and accounts receivable is as follows:

	2022	2021
Opening balance	$ 30,520	$ 52,970
Less: Reversal of impairment loss for the year	(13,550)	(22,450)
Closing balance	$ 16,970	$ 30,520

The Company entered into a non-recourse sale contract with the bank for the accounts receivable arising from the sale of a portion of the receivable on credit. For information on the Company's sale of accounts receivable, please refer to Note 29 (v), "Transfer of financial assets".

10. INVENTORIES

	December 31, 2022	December 31, 2021
Finished goods	$ 232	$ 9,952
Work-in-process	1,292,788	727,196
Raw materials	130,917	77,162
	$ 1,423,937	$ 814,310

Cost of goods sold for fiscal 2022 and 2021 includes a $81,000 thousand loss from inventory write-down and a $23,000 thousand gain from reversal of inventory write-down due to the disposal of inventories that have declined in value.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment in subsidiaries

	December 31, 2022	December 31, 2021
Unlisted		
Symtek Automation Ltd.	$ 1,572,182	$ 1,307,889

	Percentage of ownership and voting rights	
Subsidiary	December 31, 2022	December 31, 2021
Symtek Automation Ltd.	100%	100%

Please refer to Note 35 for the details of the Company's indirectly held investment in subsidiaries.

12. PROPERTY, PLANT AND EQUIPMENT

Self-use

	Land	Buildings	Machinery and Equipment	Transportation equipment	Office Equipment	Construction in progress	Total
Cost							
Balance at January 1, 2021	$ 372,524	$ 290,343	$ 47,141	$ 661	$ 16,685	$ 86	$ 727,440
Additions	-	356	-	-	-	4,852	5,208
Disposals	-	-	-	-	(1,131)	-	(1,131)
Transfer of construction in progress	-	-	1,333	-	3,386	(4,719)	-
Balance at December 31, 2021	$ 372,524	$ 290,699	$ 48,474	$ 661	$ 18,940	$ 219	$ 731,517
Accumulated depreciation							
Balance at January 1, 2021	$ -	$ 37,151	$ 36,945	$ 213	$ 10,222	$ -	$ 84,531
Disposals	-	-	-	-	(1,131)	-	(1,131)
Depreciation expenses	-	6,794	4,538	207	2,883	-	14,422
Balance at December 31, 2021	$ -	$ 43,945	$ 41,483	$ 420	$ 11,974	$ -	$ 97,822
Carrying amount at December 31, 2021	$ 372,524	$ 246,754	$ 6,991	$ 241	$ 6,966	$ 219	$ 633,695
Cost							
Balance at January 1, 2022	$ 372,524	$ 290,699	$ 48,474	$ 661	$ 18,940	$ 219	$ 731,517
Additions	782,024	713	-	-	-	13,409	796,146
Transfer of advance payment for real estate	190,735	-	-	-	-	-	190,735
Transfer of construction in progress	-	-	796	590	3,659	(5,045)	-
Balance at December 31, 2022	$ 1,345,283	$ 291,412	$ 49,270	$ 1,251	$ 22,599	$ 8,583	$ 1,718,398
Accumulated depreciation							
Balance at January 1, 2022	$ -	$ 43,945	$ 41,483	$ 420	$ 11,974	$ -	$ 97,822
Depreciation expenses	-	6,812	3,652	256	3,797	-	14,517
Balance at December 31, 2022	$ -	$ 50,757	$ 45,135	$ 676	$ 15,771	$ -	$ 112,339
Carrying amount at December 31, 2022	$ 1,345,283	$ 240,655	$ 4,135	$ 575	$ 6,828	$ 8,583	$1,606,059

No impairment loss was recognized or reversed in fiscal 2022 and 2021.

Property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

Buildings	
Main factory building	20-50 years
Electrical and mechanical power equipment	10-30 years
Machinery and equipment	3-10 years
Transportation equipment	4 years
Office equipment	4-10 years

Please refer to Note 31 for the amounts of property, plant and equipment set by the Company as collateral for loans.

13. LEASE ARRANGEMENTS

i. Right-of-use assets

	December 31, 2022	December 31, 2021
Carrying amounts		
Lands	$ 6,484	$ -
Buildings	22,926	-
Transportation equipment	2,762	6,285
	$ 32,172	$ 6,285

	2022	2021
Additions to the right-of-use assets	$ 41,184	$ 9,256
Depreciation expenses for right-of-use assets		
Lands	$ 1,692	$ -
Buildings	10,082	-
Transportation equipment	3,523	3,978
	$ 15,297	$ 3,978

ii. Lease liabilities

	December 31, 2022	December 31, 2021
Carrying amounts		
Current	$ 20,951	$ 3,525
Non-current	$ 11,342	$ 2,790

Range of discount rate for lease liabilities was as follows:

	December 31, 2022	December 31, 2021
Lands	0.87%	-
Buildings	0.87%~1.52%	-
Transportation equipment	0.87%~0.90%	0.87~0.90%

iii. Important leasing activities and terms

The Company leases certain transportation equipment for official business use for a period of 2 to 3 years. These lease agreements do not contain any renewal or purchase rights.

The Company also leases certain buildings for use as factories and offices for a term of 1 to 3 years. At the end of the lease term, the Company has no preferential purchase rights to the leased land and buildings and has agreed not to sublease or assign all or part of the subject of the lease without the consent of the lessor.

iv. Other lease information

	2022	2021
Expense relating to short-term leases	$ 21,144	$ 14,446
Lease expense for low-value assets	$ -	$ -
Variable lease payment expense not included in the measurement of lease liabilities	$ -	$ -
Total cash outflow for leases	($ 36,619)	($ 18,475)

The Company has elected to apply the exemption from recognition to transportation equipment and office leases that qualify as short-term leases and does not recognize the related right-of-use assets and lease liabilities for these leases.

14. INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2021	$ 27,519
Separately acquired	6,878
Disposal of the current period	(23,295)
Balance at December 31, 2021	$ 11,102
Accumulated amortization	
Balance at January 1, 2021	($ 24,399)
Amortization expenses	(2,279)
Disposal of the current period	23,295
Balance at December 31, 2021	($ 3,383)
Carrying amount at December 31, 2021	$ 7,719
Cost	
Balance at January 1, 2022	$ 11,102
Separately acquired	6,464
Disposal of the current period	(2,423)
Balance at December 31, 2022	$ 15,143
Accumulated amortization	
Balance at January 1, 2022	($ 3,383)
Amortization expenses	(4,003)
Disposal of the current period	2,423
Balance at December 31, 2022	($ 4,963)
Carrying amount at December 31, 2022	$ 10,180

Computer software is amortized on a straight-line basis over two to three years.

15. OTHER ASSETS

	December 31, 2022	December 31, 2021
Current		
Prepayments	$ 28,141	$ 10,791
Non-current		
Prepayments for real estate	-	190,735
Refundable deposits	$ 10,449	$ 6,698
Prepayments	762	33
Other	3,372	3,373
	$ 14,583	$ 200,839

16. LOANS

i. Short-term loans

	December 31, 2022	December 31, 2021
Unsecured loans		
Line of credit loans	$ 160,000	$ 100,000

The interest rates on bank loans are 1.91% and 0.83% as of December 31, 2022 and 2021, respectively.

ii. Long-term loans

	December 31, 2022	December 31, 2021
Guaranteed loans		
Bank loans (1)	$ 4,444	$ 7,111
Bank loans (2)	18,342	19,477
Bank loans (4)	617,000	-
Bank loans (5)	53,000	-
	692,786	26,588
Unsecured loans		
Bank loans (3)	53,425	69,863
Less: Amount due within 1 year	(20,240)	(20,240)
Long-term loans	$ 725,971	$ 76,211

1. The bank loan is secured by the Company's own land and buildings (see Note 31) and is due on August 2024. The principal and interest are repaid monthly, and the effective annual interest rate is 1.83% and 1.15% as of December 31, 2022, and December 31, 2021, respectively.
2. The bank loan is secured by the Company's own land and buildings (see Note 31) and is due on February 2039. The principal and interest are repaid monthly, and the effective annual interest rate is 1.79% and 1.22% as of December 31, 2022, and December 31, 2021, respectively.

3. The bank loan is due on March 2026, and the first installment was repaid starting from March 2020. The principal is repaid in 73 monthly installments over 6 years, with interest paid monthly. The effective annual interest rate is 1.454% and 0.79% as of December 31, 2022, and December 31, 2021, respectively.
4. The bank loan is secured by the Company's own land (see Note 31) and is due on July 2024. Interest is paid monthly, and the principal is repaid at maturity. The effective annual interest rate is 1.69% as of December 31, 2022.
5. The bank loan is secured by the Company's own land (see Note 31) and is due on July 2024. Interest is paid monthly, and the principal is repaid at maturity. The effective annual interest rate is 1.74% as of December 31, 2022.

17. CORPORATE BONDS PAYABLE

	December 31, 2022	December 31, 2021
Domestic unsecured convertible bonds	$ -	$ 88,050
Less: Amount due within 1 year	-	(88,050)
	$ -	$ -

On November 25, 2019, the Company issued unsecured convertible bonds in Taiwan for the purpose of repaying bank loans and to increase working capital, with the following circumstances:

1. Total amount issued: NT$400,000 thousand
2. Par value: NT$100 thousand each
3. Coupon rate: 0%
4. Effective interest rate: 1.3108%
5. Carrying value at issuance: NT$384,674 thousand
6. Maturity: 2019/11/25-2022/11/25 (The Company exercised its bond redemption right on January 19, 2022, and the over-the-counter trading will terminate on March 23, 2022.)
7. Conversion period

   Except for the cessation of conversion period, creditors may request conversion of their convertible bonds into common shares of the Company at any time from the day after the expiration of three months from the date of issuance (February 26, 2020) to the maturity date of November 25, 2022, in accordance with the conversion rule for corporate bonds. The cessation of conversion period is as follows:

(1) The period during which the transfer of common shares is legally suspended and ceased.

(2) The period from 15 business days prior to the date on which the Company applies to the Taipei Exchange for the cessation of transfer of the gratis allotment of shares, the cessation of transfer of cash dividends or the cessation of transfer of cash capital increase stock options to the record date.

(3) From the base date of capital reduction to 1 day before the start of trading day of capital reduction and share exchange.

(4) Other period of suspension of transfer according to the law.

8. Conversion price and its adjustment:

Creditors may request the Company to convert the bonds held by them into common shares of the Company at NT$72.9 per share. The conversion price will be adjusted if there is an increase in the number of common shares issued by the Company after the issuance. As of the issuance period, the last announced adjusted conversion price was $67.

9. Repayment of the bonds at maturity:

The bonds will be repaid by the issuing company in cash on the maturity date at the face value of the bonds.

10. Repurchase rights of the creditors

Upon the expiration of 2 years from the date of issuance (November 25, 2021), the bondholders may request the Company to redeem the bonds held by them in cash at the face value plus interest compensation (101% of the face value of the bonds and 0.50% of the effective yield) by written notice to the Company in accordance with regulations governing the conversion.

11. Redemption rights of the Company

After 3 months from the issuance date (February 26, 2020) of the bonds and up to 40 days prior to the expiration of the issuance period (October 16, 2022), if the closing price of the common shares of the issuer on the Taipei Exchange exceeds the then prevailing conversion price by 30% (inclusive) for 30 consecutive business days or if the outstanding balance of the bonds is less than 10% of the original issue amount, the issuer may redeem all of the bonds in cash at the face value of the bonds.

The convertible bonds consist of liabilities and equity components, with the equity components expressed as capital surplus - stock options under equity. The liability components are presented as liabilities embedded in derivative financial

instruments and non-derivative financial liabilities, respectively. The embedded derivative financial instruments were valued at fair value of $(116) thousand as of December 31, 2021. The liabilities for non-derivative financial instruments were measured at amortized cost of $88,050 thousand as of December 31, 2021, with an effective interest rate of 1.3108% as originally recognized.

Issue price (net of transaction costs of $3,960 thousand)	$ 396,040
Equity component (net of transaction costs of $109 thousand apportioned to equity)	(10,891)
Components of liabilities at issue date (net of transaction costs of $3,851 thousand apportioned to liabilities)	$ 385,149

Components of liabilities as of January 1, 2021	$ 388,311
Interest at effective interest rate of 1.3108%	3,597
Valuation gain on financial instruments	(350)
Conversion of bonds payable to common stock	(303,624)
Components of liabilities as of December 31, 2021	$ 87,934

Components of liabilities as of January 1, 2022	$ 87,934
Interest at effective interest rate of 1.3108%	174
Conversion of bonds payable to common stock	(88,108)
Components of liabilities as of December 31, 2022	$ -

18. ACCOUNTS PAYABLE

	December 31, 2022	December 31, 2021
Accounts payable		
Arising from operating activities	$ 953,782	$ 882,757

The average credit period for accounts payable is approximately four months. The Company has a financial risk management policy to ensure that all accounts payable are repaid within the prearranged credit period.

19. OTHER LIABILITIES

	December 31, 2022	December 31, 2021
Current		
Other payables		
Payable for salaries or bonuses	$ 201,748	$ 158,872
Payable for compensation of employees	33,500	58,000
Payable for remuneration of directors	11,700	16,000
Shipping costs payable	9,007	6,794
Insurance premiums payable	7,937	6,695

Payable for equipment	7,682	515
Other	76,517	41,615
	$ 348,091	$ 288,491
Other liabilities		
Receipts under custody	$ 3,254	$ 2,079
Non-current		
Other payables		
Long-term employee benefits payable	$ 2,227	$ 2,455

20. PROVISION FOR LIABILITIES

	December 31, 2022	December 31, 2021
Current		
Provision for contingent service cost	$ 57,000	$ 36,000

	保固準備
Balance at January 1, 2021	$ 22,000
Used during the year	(23,583)
Additions during the year	37,583
Balance at December 31, 2021	$ 36,000
Balance at January 1, 2022	$ 36,000
Used during the year	(60,965)
Additions during the year	81,965
Balance at December 31, 2022	$ 57,000

Warranty provision for liabilities is the present value of the Company's management's best estimate of future economic outflows due to warranty obligations, as agreed in the sales contracts. The estimate is based on historical warranty experience and adjusted to take into account new raw materials, process changes or other factors affecting product quality.

21. RETIREMENT BENEFIT PLANS

Defined contribution plans

The Company 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.

22. EQUITY

i. Share capital

1. Ordinary shares

	December 31, 2022	December 31, 2021
Number of shares authorized (in thousands)	100,000	100,000
Shares authorized	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in thousands)	71,432	69,257
Shares issued	$ 714,317	$ 692,572

The issued common stock has a par value of NT$10 per share and each share has one voting right and the right to receive dividends.

The convertible bonds were converted into 3,714 thousand shares of common stock with a par value of $10 per share in fiscal 2021.

The convertible bonds were converted into 2,175 thousand shares of common stock with a par value of $10 per share in fiscal 2022.

On April 15, 2021, the board of directors resolved to acquire 2,700 thousand shares of common stock of SynPower Co., Ltd. at a par value of NT$10 per share in consideration for the issuance of 1,227 thousand shares of common stock at a premium of NT$86.9 per share. The above capital increase was based on the share exchange date of May 17, 2021, and the change of registration was completed on June 23, 2021.

In order to control the timeliness of raising capital, to obtain long-term capital within the shortest period of time, and to restrict the transfer of capital for three years to facilitate the stability of the Company's operating right and the expansion of its operations, the Company approved the issuance of 6,000 thousand shares of common stock through a private placement cash capital increase on August 11, 2021. The issue price per share was NT$95, the actual number of shares issued was 4,000 thousand shares, and the actual amount issued was NT$380,000 thousand, the base date of the capital increase was August 25, 2021, and the change of registration was completed on September 13, 2021. In accordance with Article 43-8 of the Securities and Exchange Act, the common shares of the private placement shall be freely transferable after three years from

the date of delivery and shall not be listed for trading until after the completion of public offering.

2. Certificate of conversion to acquire new stocks

	December 31, 2022	December 31, 2021
Number of shares converted but not yet registered (in thousand shares)	-	845
Capital stock converted but not yet registered	$ -	$ 8,447

Change of registration after the issuance of new shares on the base date of capital increase in accordance with the law.

ii. Capital surplus

	December 31, 2022	December 31, 2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 1,148,558	$ 1,148,558
Premium on conversion of corporate bonds	344,646	267,410
Treasury shares trading	9,700	9,700
May be used only to offset a deficit		
Recognition of changes in ownership interests of subsidiaries (2)	3,192	-
May not be used for any purpose		
Employee share options (3)	-	2,426
	$ 1,506,096	$ 1,428,094

1. Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
2. This type of capital surplus represents the equity transaction effects recognized due to changes in the ownership interests of subsidiaries that the Company has not actually acquired or disposed of, or adjustments to the capital surplus of subsidiaries recognized by the Company using the equity method.

3. This type of capital surplus represents the value of stock options recognized for the issuance of convertible bonds.

iii. Retained earnings and dividend policy

In accordance with the Company's Articles of Incorporation, 10% of the Company's annual earnings, if any, shall be set aside as legal reserve after paying taxes and making up for accumulated deficits. However, if the legal reserve has reached the Company's paid-in capital, it may not be set aside, and the remainder may be set aside or reversed to a special reserve in accordance with the law. If there is any unappropriated earnings, the board of directors shall prepare a proposal for the appropriation of earnings and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders. The Company's policy on the distribution of compensation of employees and remuneration of directors and supervisors is described in Note 24 (vii), "Compensation of employees and remuneration of directors.

In the case of dividends or legal reserve or capital surplus distributed in cash as described above, the board of directors is authorized to do so with the presence of at least two-thirds of the directors and a resolution of a majority of the directors present, and to report to the shareholders' meeting.

The Company's dividend policy is to distribute dividends to shareholders at a rate of not less than 10% of the distributable earnings each year in accordance with the Company's current and future development plans, taking into account the investment environment, capital requirements, domestic and international competition, and the interests of shareholders. However, if the accumulated distributable earnings are less than 5% of the paid-in capital, the dividends may not be distributed. Dividends may be distributed in cash or in shares, with cash dividends not less than 50% of the total dividends.

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

When the Company transferred the net decrease in other equity components to special reserves, it only transferred the portion that was not distributed as retained earnings in previous periods.

The appropriations of earnings for 2021 and 2020 were as follows:

	Earnings appropriation		Dividend per share (NT$)	
	2021	2020	2021	2020
Legal reserve	$ 65,165	$ 37,926		
Special reserve	234	(13,492)		
Cash dividends	450,172	259,290	$ 6.5	$ 4.3

The aforementioned cash dividends were resolved to be distributed by the board of directors on March 8, 2022, and March 5, 2021, respectively, while the other items of earning distribution were resolved to be distributed by the shareholders' meeting on May 27, 2022, and July 15, 2021, respectively.

Due to the conversion of corporate bonds, the dividend payout ratio for ordinary shares in 2021 was adjusted because it affected the number of outstanding shares. The Chairman was authorized to fully handle the adjustment of the dividend payout ratio to NT$6.30212374 per share at the shareholders' meeting on May 27, 2022.

The earning distribution plan for the Company for the year 2022 is as follows:

	Earnings appropriation	Dividend per share (NT$)
Legal reserve	$ 66,699	
Reversal of special reserve	(12,038)	
Cash dividends	428,590	$ 6

The above cash dividends have been approved by the board of directors on February 24, 2023. The remaining distribution of earnings is pending the resolution of the shareholders' meeting scheduled for May 31, 2023.

23. REVENUE

	2022	2021
Revenue from customer contracts		
Revenue from merchandise sales	$ 3,414,489	$ 2,602,534

i. Contract information

The automation equipment were sold to the manufacturers in Taiwan and China on a geographical basis and sold at a fixed price under a contractual agreement.

ii. Contract balances

	December 31, 2022	December 31, 2021	Jan. 1, 2021
Accounts receivable (Note 9)	$ 544,428	$ 551,475	$ 486,796

Accounts receivable - related parties (Note 30)	13,779	17,199	29,040
	$ 558,207	$ 568,674	$ 515,836
Contract assets - current			
Sale of goods	$ 451,381	$ 294,633	$ -
Contract liabilities-current			
Sale of goods	$ 242,795	$ 214,907	$ 61,954

The Company recognizes an allowance for losses on contract assets based on expected credit losses over the life of the contracts. The contract assets will be transferred to accounts receivable upon billing. The credit risk characteristics are the same as those of accounts receivable arising from similar contracts, so the Company considers that the expected credit loss rate of accounts receivable can also be applied to contract assets.

	December 31, 2022	December 31, 2021
Expected credit loss	0.03%	1.06%
Gross carrying amount	$ 451,511	$ 297,793
Allowance for impairment loss (lifetime ECLs)	(130)	(3,160)
	$ 451,381	$ 294,633

Information on the changes in the allowance for losses on contract assets is as follows:

	2022	2021
Opening balance	$ 3,160	$ -
Add: Impairment loss for the period	-	3,160
Less: Reversal of impairment loss for the year	(3,030)	-
Closing balance	$ 130	$ 3,160

The amount of contract liabilities from the beginning of the year recognized as income in the current period was as follows:

	December 31, 2022	December 31, 2021
From contractual liabilities at the beginning of the year		
Sale of goods	$ 206,217	$ 61,853

iii. Breakdown of revenue from customer contracts

2022

	Reportable departments			
	PCB automation equipment	LCD panel automation equipment	Semiconductor automation equipment	Total
Product type				
Merchandise sales revenue	$ 2,101,553	$ 334,262	$ 978,674	$ 3,414,489

2021

	Reportable departments			
	PCB automation equipment	LCD panel automation equipment	Semiconductor automation equipment	Total
Product type				
Merchandise sales revenue	$ 1,547,523	$ 352,413	$ 702,598	$ 2,602,534

24. NET PROFIT

i. Interest income

	2022	2021
Bank deposit	$ 1,378	$ 259

ii. Other income

	2022	2021
Consulting and service revenue	$ 70,035	$ 71,534
Dividend income	3,590	1,459
Miscellaneous income	3,694	574
	$ 77,319	$ 73,567

iii. Other gains and losses

	2022	2021
Gain on disposal of financial assets		
Financial assets measured at fair value through profit or loss	$ 1,777	$ -
Interest in financial assets and financial liabilities		
Financial assets mandatorily measured at fair value through profit or loss	-	350
Net gain (loss) on foreign currency exchange	19,206	(7,805)
Other	(3,639)	(4,439)

	$ 17,344	($ 11,894)

iv. Financial cost

	2022	2021
Interest on bank loans	$ 12,754	$ 4,063
Interest on lease liabilities	269	68
Interest on corporate bonds payable	174	3,597
	$ 13,197	$ 7,728

v. Depreciation and amortization

	2022	2021
An analysis of depreciation by function		
Operating costs	$ 21,339	$ 12,357
Operating expenses	8,475	6,043
	$ 29,814	$ 18,400
An analysis of amortization by function		
Operating costs	$ 449	$ 417
Operating expenses	19,115	15,593
	$ 19,564	$ 16,010

vi. Employee benefits expense

	2022	2021
Post-employment benefits (Note 21)		
Defined contribution plans	$ 16,524	$ 14,495
Other employee benefits	689,724	624,008
Total employee benefits expense	$ 706,248	$ 638,503
An analysis of employee benefits expense by function		
Operating costs	$ 260,049	$ 204,107
Operating expenses	446,199	434,396
	$ 706,248	$ 638,503

vii. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues employees' compensation and board directors' remuneration at the rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The estimated compensation of employees and the remuneration of directors for the years 2022 and 2021 were

resolved by the board of directors on February 24, 2023 and February 25, 2022, respectively, as follows:

Accrual rate

	2022	2021
Compensation of employees	3.71%	6.73%
Remuneration of directors	1.30%	1.86%

Amount

	2022	2021
Compensation of employees	$ 33,500	$ 58,000
Remuneration of directors	11,700	16,000

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

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the year ended December 31, 2021 and 2020.

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

viii. Gains or losses on foreign currency exchange

	2022	2021
Foreign exchange gains	$ 50,632	$ 13,089
Foreign exchange losses	(31,426)	(20,894)
Net gains (losses)	$ 19,206	($ 7,805)

25. INCOME TAX

i. Income tax recognized in profit or loss:

Major components of income tax expense are as follows:

	2022	2021
Current tax		
In respect of the current period	$ 162,967	$ 87,915
Income tax on unappropriated earnings	6,097	4,516
In respect of prior years	824	488
	169,888	92,919
Deferred tax		

In respect of the current period	21,085	43,620
Income tax expense recognized in profit or loss	$ 190,973	$ 136,539

The reconciliation of accounting income and income tax expense is as follows:

	2022	2021
Net income before tax	$ 857,967	$ 788,185
Income tax expense at statutory rate on net income before tax	$ 171,593	$ 157,637
Non-deductible expenses for tax purposes	71	719
Tax-exempt income	(817)	(466)
Surtax on undistributed earnings	6,097	4,516
Other income tax effects adjusted according to tax laws	13,800	-
Adjustments to prior years' deferred income tax expense	(595)	(26,355)
Adjustments to prior years' current income tax expense	824	488
Income tax expense recognized in profit or loss	$ 190,973	$ 136,539

ii. Income tax recognized in other comprehensive income

	2022	2021
Deferred income tax expense (benefit)		
Arising from current year		
Translation of foreign operating companies	$ 3,403	($ 1,406)

iii. Current income tax assets and liabilities

	December 31, 2022	December 31, 2021
Current income tax liabilities		
Income tax payable	$ 124,885	$ 71,510

iv. Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows:

2022

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred tax assets				
Allowance for losses	$ 4,926	($ 2,670)	$ -	$ 2,256
Inventory write-down	7,600	16,200	-	23,800
Provision for contingent service cost	7,200	4,200	-	11,400
Other	18,845	10,094	-	28,939
	$ 38,571	$ 27,824	$ -	$ 66,395
Deferred tax liabilities				
Income from foreign investments recognized under the equity method	$104,158	$ 48,909	$ 3,403	$156,470

2021

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred tax assets				
Allowance for loss	$ 9,455	($ 4,529)	$ -	$ 4,926
Inventory write-down	12,200	(4,600)	-	7,600
Provision for contingent service cost	4,400	2,800	-	7,200
Other	12,029	6,816	-	18,845
	$ 38,084	$ 487	$ -	$ 38,571
Deferred tax liabilities				
Income from foreign investments recognized under the equity method	$ 61,457	$ 44,107	($ 1,406)	$104,158

v. Income tax assessments

The income tax returns of the Company through 2020 have been assessed by the tax authorities.

26. 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

	2022	2021
Earnings used in the computation of basic per share	$ 666,994	$ 651,646
Effects of potentially dilutive ordinary shares:		
After-tax interest on convertible bonds	139	2,877
Net profit used in the computation of diluted earnings per share	$ 667,133	$ 654,523

Shares (In Thousands of Shares)

	2022	2021
Weighted-average number of ordinary shares used in the computation of basic earnings per share	70,908	64,188
Effects of potentially dilutive ordinary shares:		
Compensation of employees	486	531
Certificate of conversion to acquire new stocks	-	845
Conversion of corporate bonds	524	3,356
Weighted-average number of ordinary shares used in the computation of diluted earnings per share	71,918	68,920

If the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. NON-CASH TRANSACTIONS

i. In 2022 and 2021, the Company converted convertible corporate bonds and bond conversion entitlement certificates into common stock and capital surplus, resulting in a total impact of NT$88,108 thousand and NT$303,624 thousand, respectively.

ii. On May 17, 2021, the Company issued 1,227 thousand common shares to SynPower Co., Ltd. at a premium of NT$86.9 per share, with a fair value of approximately NT$106,626 thousand. SynPower also issued 2,700 thousand common shares to the Company as consideration for the transfer of each other's shares. The Company recorded the acquisition of shares of SynPower (with 9.96% ownership) as financial assets at fair value through other comprehensive income - non-current (see Notes 7, 22 and 29).

28. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it has the necessary financial resources and operating plans to meet its future needs for working capital, capital expenditures, research and development expenses, debt service and dividend payments. The Company manages capital to maximize shareholder returns by optimizing debt and equity balances, provided that the Company continues to operate.

29. FINANCIAL INSTRUMENTS

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

Except for those listed in the table below, the carrying amounts of financial assets and financial liabilities that are not measured at fair value are considered by the management of the Company to approximate their fair values.

December 31, 2022: None

December 31, 2021

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 88,050	$155,177	$ -	$ -	$155,177

ii. Fair value of financial instruments that are measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Emerging stocks	$ -	$ -	$ 110,813	$ 110,813
Unquoted stocks	-	-	9,630	9,630
	$ -	$ -	$ 120,443	$ 120,443

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	$ -	$ 116	$ -	$ 116
Financial assets at FVTOCI				
Investments in equity instruments				
Emerging stocks	$ -	$ -	$ 105,159	$ 105,159
Unquoted stocks	-	-	31,860	31,860
	$ -	$ -	$ 137,019	$ 137,019

There are no transfers between Level 1 and Level 2 fair value measurements in fiscal 2022 and 2021.

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

2022

Financial Assets	Financial assets at FVTOCI Equity Instruments
Opening balance	$ 137,019
Recognized in other comprehensive income (unrealized gain or loss on financial assets measured at fair value through other comprehensive income)	(1,576)
Disposals	(15,000)
Closing balance	$ 120,443

2021

Financial Assets	Financial assets at FVTOCI Equity Instruments
Opening balance	$ 24,000
Additions	107,626
Recognized in other comprehensive income (unrealized gain or loss on financial assets measured at fair value through other comprehensive income)	5,393
Closing balance	$ 137,019

3. Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Derivatives - Call and put options on convertible bonds	The binary tree method is used to evaluate the convertible bonds based on the volatility of conversion price, risk-free interest rate, risk discount rate and remaining maturity.

4. Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

   The fair value of equity investments without an active market is assessed using the market approach. The market approach is used to estimate the fair value of investment targets by referring to the trading prices of comparable targets in the market and related information.

iii. Categories of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at FVTPL		
Mandatorily measured at FVTPL	$ -	$ 116
Financial assets at amortized cost (Note 1)	1,029,413	1,650,394
Financial assets at FVTOCI		
Investments in equity instruments	120,443	137,019
Investment in debt instruments	129,585	125,257
Financial liabilities		
At amortized cost (Note 2)	1,860,567	1,168,624

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, accounts receivable, accounts receivable - related parties, other receivables, other receivables - related parties and refundable deposits.

Note 2: The balance includes financial liabilities measured at amortized cost, such as short-term loans, accounts payable, accounts payable - related parties, bonds payable (including those due within one year) and long-term loans (including those due within one year).

iv. Financial risk management objectives and policies

The Company's major financial instruments include cash and cash equivalents, investments in equity and debt instruments, notes receivable, accounts receivable, accounts receivable - related parties, accounts payable, accounts payable - related parties, corporate bonds payable, lease liabilities and borrowings. The Company's financial management department provides services to each business unit, coordinates access to financial markets, monitors and manages financial risks associated with the Company's operations by analyzing risk exposures based on risk level and breadth. These risks include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

1. Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

(1) Foreign currency risk

The Company holds monetary assets and monetary liabilities that are not denominated in functional currencies, which give rise to exchange rate risk. The Company is aware of the changes in market exchange rates and adjusts its exchange rate policy to manage exchange rate risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the period are set out in Note 34.

Sensitivity analysis

The Company was mainly exposed to RMB and USD.

The following table details the sensitivity analysis of the Company when the exchange rate of the New Taiwan dollar (functional currency) increases

and decreases by 1% against each relevant foreign currency. 1% is the sensitivity ratio used for internal reporting of exchange rate risk to key management and represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates. The sensitivity analysis includes only foreign currency monetary items in circulation and adjusts their year-end translation by a 1% change in exchange rates. The amounts in the table below represent the increase in income before income taxes that would result from a 1% weakening of the New Taiwan dollar against the respective currencies, and the negative impact on income before income taxes that would result from a 1% strengthening of the New Taiwan dollar against the respective currencies.

	RMB Impact (Note)		USD Impact (Note)	
	2022	2021	2022	2021
Profit or loss	$ 1,474	$ 539	$ 2,433	$ 1,489

Note: Mainly derived from bank deposits, receivables and payables in RMB and USD that were outstanding and not cash flow hedged at the balance sheet date of the Company.

The increase in the sensitivity of the Company to USD and RMB exchange rate was mainly due to the increase in accounts receivable denominated in those foreign currencies.

(2) Interest rate risk

Interest rate risk arises because the Company borrows funds at both fixed and floating rates. The Company manages interest rate risk by maintaining an appropriate mix of fixed and floating rates.

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

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
Financial assets	$ -	$ 19,740
Financial liabilities	-	88,050
Cash flow interest rate risk		
Financial liabilities	906,211	196,451

Sensitivity analysis

The sensitivity analysis of interest rate risk was determined based on the interest rate risk as of the end of the financial reporting period. If interest rates were to increase by 1%, with all other variables held constant, the Company's net income before income taxes would decrease by $9,062 thousand and $1,965 thousand for 2022 and 2021, respectively.

The increase in the Company's sensitivity to interest rates was mainly due to the increase in bank loans with variable interest rates during the year.

(3) Other price risk

The Company has equity price risk due to its investment in equity securities. These equity investments are not held for trading but are strategic investments and the Company does not actively trade these investments. In addition, the Company assigns a specific team to monitor price risk and assess when additional hedges are required.

Sensitivity analysis

The following sensitivity analysis was performed based on the equity price risk at the balance sheet date.

If the equity price increases/decreases by 5%, other comprehensive income before income tax will increase/decrease by $6,022 thousand and $6,851 thousand in fiscal 2022 and 2021, respectively, due to the increase/decrease in fair value of financial assets measured at fair value through other comprehensive income.

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 Company. At the end of the period, the Company's maximum exposure to credit risk, which will cause a financial loss to the Company due to the failure of the counterparty to discharge an obligation approximates the carrying amount of the respective recognized financial assets as stated in the parent company only balance sheets.

The Company's policy is to deal only with creditworthy counterparties and to obtain advance payments when necessary to mitigate the risk of financial loss arising from delinquencies. To mitigate credit risk, the Company continuously monitors credit risk and the credit ratings of counterparties, and has dedicated personnel responsible for credit approval and other monitoring procedures to

ensure that appropriate actions are taken to collect overdue receivables. In addition, the Company reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses are recorded for uncollectible receivables.

The Company's credit risk is mainly concentrated in the Company's top three customers. As of December 31, 2022 and 2021, the percentage of total accounts receivable from these customers is 46% and 43%, respectively.

3. Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents to support the Company's operations and mitigate the impact of cash flow fluctuations. The Company's management monitors the use of bank financing lines and ensures compliance with the terms of borrowing contracts.

As of December 31, 2022 and 2021, the Company had unutilized financing facilities of $338,040 thousand and $401,273 thousand, respectively.

The following tables show the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up on the basis of the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows.

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities				
Non-interest bearing	$ 250,203	$ 326,247	$ 377,906	$ -
Lease liabilities	1,831	3,662	15,684	11,429
Variable rate instruments	2,990	5,949	185,182	735,580
	$ 255,024	$ 335,858	$ 578,772	$ 747,009

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities				
Non-interest bearing	$ 182,431	$ 256,022	$ 445,670	$ -
Lease liabilities	297	595	2,675	2,802

Variable rate instruments	1,830	3,650	116,034	78,780
Fixed rate instruments	-	-	89,100	-
	$ 184,558	$ 260,267	$ 653,479	$ 81,582

v. Information on the transfer of financial assets

Information on the sale of outstanding receivables of the Company at the end of the year is as follows:

December 31, 2022

Counterparty	Factoring amount	Amount transferred to other receivables	Amount available for cash advance	Total cash advance	Interest rate of total cash advance (%)
Fubon Bank	$ 266,495	$ 26,650	$ -	$ 239,845	1.442~1.709
O-Bank	36,515	3,651	-	32,864	1.463~1.642
	$ 303,010	$ 30,301	$ -	$ 272,709	

December 31, 2021

Counterparty	Factoring amount	Amount transferred to other receivables	Amount available for cash advance	Total cash advance	Interest rate of total cash advance (%)
Shin Kong Bank	$ 216,252	$ 43,262	$ -	$ 172,990	0.91~0.98
O-Bank	30,710	3,071	-	27,639	0.888~0.889
	$ 246,962	$ 46,333	$ -	$ 200,629	

Under the factoring contracts, losses arising from commercial disputes (such as sales returns or discounts) are borne by the Company, while losses arising from credit risk are borne by the banks.

30. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and its related parties are disclosed below.

i. Related parties and their relationships

Related Party	Relationship
Symtek Automation China Co., Ltd.	Subsidiary
Protek Technology Limited	Other related parties - Key management companies
Dongguan Protek Machinery Co., Ltd.	Other related parties - Key management companies

ii. Operating revenue

Line Item	Related Party Category	2022	2021
Sales	Subsidiary	$ 48,402	$ 54,904

The transaction prices and collection terms of sales transactions with related parties are not materially different from those of non-related parties.

iii. Purchase

Related Party Category	2022	2021
Subsidiary	$ 5,769	$ 18,138

The terms of the purchase transactions between the Company and its related parties are determined by mutual agreement as there are no similar transactions.

iv. Receivables from related parties (excluding lending to related parties)

Line Item	Related Party Category/Name	December 31, 2022	December 31, 2021
Accounts receivable - related parties	Subsidiary	$ 13,779	$ 17,199

No guarantee has been received for amounts due from related parties in circulation, and no allowance for losses has been provided for amounts due from related parties in 2022 and 2021.

v. Accounts payable to related parties (excluding loans from related parties)

Line Item	Related Party Category	December 31, 2022	December 31, 2021
Accounts payable - related parties	Subsidiary	$ 574	$ 1,366

No guarantees were provided for the balance of the outstanding accounts payable to related parties.

vi. Endorsements and guarantees

Endorsement/guarantee for others

Related Party	December 31, 2022	December 31, 2021
Symtek Automation China Co., Ltd.		
Guaranteed amount	$ -	$ 263,760
Actual expenditure	-	-

vii. Other related party transactions

Related Party	2022	2021
Other income (consulting and advisory services revenue)		
Symtek Automation China Co., Ltd.	$ 70,035	$ 71,534

Related Party	December 31, 2022	December 31, 2021
Other receivable - related parties		
Symtek Automation China Co., Ltd.	$ 37,855	$ 31,771

Other income is the amount received by the Company for technical consulting services provided to Symtek China, and the collection period is subject to mutual agreement.

viii. Compensation of key management personnel

	2022	2021
Short-term employee benefits	$ 43,955	$ 43,538

The remuneration of board directors and salaries of other key management personnel are decided by remuneration and compensation committee based on individual performance and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets have been provided as collateral for financing loans, tariff guarantees for imported raw materials, or security deposits for the employment of foreign workers:

	December 31, 2022	December 31, 2021
Property, plant and equipment	$ 1,585,938	$ 619,278
Pledged deposits (classified as financial assets at amortized cost)	-	19,740
	$ 1,585,938	$ 639,018

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS: None.

33. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In response to the future development plan of the Company's operations, to increase operating capital and/or repay bank loans, the board of directors decided on February 24th, 2023 to carry out a cash increase and issue the second domestic unsecured convertible corporate bond. The capital increase is expected to be 3,850 thousand shares of common

stock with a par value of NT$10 per share, which will increase the capital by NT$38,500 thousand, and the issue price is tentatively set at NT$78 per share; and the issuance of the second domestic unsecured convertible bonds is expected to be NT$300,000 thousand, with a par value of NT$100 thousand each, and a total of 3,000 bonds will be issued.

Due to business needs and production capacity expansion demand, the Company approved a budget of NT$2,000,000 thousand for the construction of a new plant on Xinsheng Road, Zhongli District at its board meeting on February 24, 2023.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2022

	Foreign Currencies	Exchange Rates	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 7,956	30.71 (USD:NTD)	$ 244,334
EUR	155	32.72 (EUR:NTD)	5,073
JPY	22,889	0.23 (JPY:NTD)	5,319
RMB	36,659	4.41 (RMB:NTD)	161,594
			$ 416,320
Non-monetary items			
Investments accounted for using the equity method			
RMB	357,026	4.41 (RMB:NTD)	$ 1,572,182
Financial liabilities			
Monetary items			
USD	33	30.71 (USD:NTD)	$ 1,024
EUR	124	32.72 (EUR:NTD)	4,051
JPY	60,070	0.23 (JPY:NTD)	13,960
RMB	3,215	4.41 (RMB:NTD)	14,174
			$ 33,209

December 31, 2021

	Foreign Currencies	Exchange Rates	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 5,391	27.68 (USD:NTD)	$ 149,220
EUR	54	31.32 (EUR:NTD)	1,698
JPY	167,535	0.24 (JPY:NTD)	40,292
RMB	12,844	4.34 (RMB:NTD)	55,794
			$ 247,004
Non-monetary items			
Investments accounted for using the equity method			
RMB	301,079	4.34 (RMB:NTD)	$ 1,307,889
Financial liabilities			
Monetary items			
USD	10	27.68 (USD:NTD)	$ 275
EUR	16	31.32 (EUR:NTD)	505
JPY	119,053	0.24 (JPY:NTD)	28,632
RMB	428	4.34 (RMB:NTD)	1,859
			$ 31,271

The significant unrealized foreign exchange gains (losses) were as follows:

	2022		2021	
Foreign Currency	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange Gains (Losses)	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange Gains (Losses)
USD	30.71 (USD:NTD)	$ 307	27.68 (USD:NTD)	($ 1,966)
EUR	32.72 (EUR:NTD)	(39)	31.32 (EUR:NTD)	(4)
JPY	0.23 (JPY:NTD)	(581)	0.24 (JPY:NTD)	239
RMB	4.41 (RMB:NTD)	259	4.34 (RMB:NTD)	477
		($ 54)		($ 1,254)

35. SEPARATELY DISCLOSED ITEMS

i. INFORMATION ABOUT SIGNIFICANT TRANSACTIONS and ii. INFORMATION ON INVESTEES:

1. Financing provided to others. (None)
2. Endorsements/guarantees provided. (Table 1)
3. Marketable securities held. (Table 2)
4. Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (None)
5. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (Table 3)
6. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 4)
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)
9. Trading in derivative instruments. (None in FY2022)
10. Information on investees. (Table 5)

iii. 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, profit or loss for the period and investment income or loss recognized, 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 6)
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 7)
   (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
   (3) The amount of property transactions and the amount of the resultant gains or losses.

(4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

(5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.

(6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

iv. INFORMATION OF MAJOR SHAREHOLDERS:

The name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder of shareholders with ownership of 5% or greater. (Table 8)

SYMTEK AUTOMATION ASIA CO., LTD.

ENDORSEMENTS/GUARANTEES PROVIDED

YEAR 2022

TABLE 1

(In Thousands of New Taiwan Dollars)

Number (Note 1)	Endorser	Endorsee		Endorsement and guarantee limit for a single company	Maximum balance for the period	Ending balance	Actual expenditure	Endorsement and guarantee amount by assets	Ratio of cumulative endorsement/ guarantee amount to net worth as stated in the latest financial statements (%)	Maximum limit of endorsement and guarantee	Endorsement and guarantee from parent to subsidiary	Endorsement and guarantee from subsidiary to parent	Endorsement and guarantee for Mainland China	Note
		Company name	Relationship (Note 2)											
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	(3)	$ 1,575,295 (Note 4)	$ 264,680	$ -	$ -	$ -	-	$ 1,823,220 (Note 3)	Y	N	Y	—
1	Symtek Automation Ltd.	Symtek Automation China Co., Ltd.	(2)	1,575,295 (Note 5)	177,560	-	-	-	-	1,575,295 (Note 5)	Y	N	Y	—

Note 1: The description of the number field is as follows:

(1) No. 0 represents the issuer.

(2) Other numbers represent investees.

Note 2: There are seven types of relationships between the endorser and the endorsee, which can be indicated as follows:

(1) A company with which it does business.

(2) A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.

(3) A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.

(4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.

(5) Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

(7) Where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other

Note 3: The total amount of the endorsement/guarantee is limited to 50% of the Company's net worth as stated in the latest financial statement.

Note 4: The maximum amount shall be 100% of the net worth as stated in the latest audited financial statements of Symtek Automation China Co., Ltd., calculated as $1,575,295 thousand ($1,575,295 thousand × 100% of the net worth as stated in the latest financial statements as of December 31, 2022).

Note 5: The maximum amount of endorsement/guarantee by a subsidiary to a sub-subsidiary that the subsidiary directly or indirectly holds 100% of the voting shares is 100% of the net worth as stated in the latest audited or reviewed financial statements of the sub-subsidiary, which was calculated to be $1,575,295 thousand ($1,575,295 thousand × 100% of the net worth as stated in the latest financial statements as of December 31, 2022).

SYMTEK AUTOMATION ASIA CO., LTD.

MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

TABLE 2

(In Thousands of New Taiwan Dollars/ Thousands of Shares)

Holding Company	Marketable Securities Type/Name and Issuer (Note)	Relationship with the Holding Company	Line Item	At the End of Period				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Symtek Automation Asia Co., Ltd.	Equity investment							
	New Smart Technology Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	515	$ 16,995	2.34%	$ 8,630	
	Ever Radiant Inc.	None	〃	560	-	6.77%	-	
	SynPower Co., Ltd.	None	〃	2,992	106,626	9.96%	110,813	
	Gtalent Co., Ltd.	None	〃	100	1,000	6.25%	1,000	
	Less: Valuation adjustment of financial assets at fair value through other comprehensive income				(4,178)		-	
					$ 120,443		$ 120,443	

Note 1: Marketable securities referred to in this table are marketable securities derived from stocks that fall within the scope of IFRS 9, “Financial Instruments”.

Note 2: Refer to Tables 5 and 6 for information about subsidiaries and associates.

SYMTEK AUTOMATION ASIA CO., LTD.

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

YEAR 2022

TABLE 3

(In Thousands of New Taiwan Dollars)

Company that acquires the property	Asset	Date of occurrence	Transaction amount	Payment	Counterparty	Relationship	The previous transfer information if the counterparty is a related party				Reference for price determination	Purpose of acquisition and use	Other contractual matters
							Owner	Relationship with the issuer	Date of transfer	Amount			
Symtek Automation Asia Co., Ltd.	Land in Dajiang Section, Zhongli District, Taoyuan City	October 12, 2021 (Note)	$ 962,347	Paid $962,347 thousand as of December 31, 2021	Zhang, Xiu-Xiang	Non-related party	-	-	-	$ -	Real estate appraisal report	Acquired for operating use	-

Note: This is the date of the board of directors' resolution.

SYMTEK AUTOMATION ASIA CO., LTD.

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

YEAR 2022

TABLE 4

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

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase (Sale)	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Symtek Automation China Co., Ltd.	Dongguan Protek Machinery Co., Ltd.	Other related parties - Key management companies	Sales	$ 214,451	9.05%	Monthly payments in 6-10 installments	No significant difference	No significant difference	$ 93,939	13.24%	—

SYMTEK AUTOMATION ASIA CO., LTD.

INFORMATION ON INVESTEES

YEAR 2022

TABLE 5

(In Thousands of New Taiwan Dollars/Thousands of Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Profit or Loss of the Investee	Investment Profit or Loss Recognized	Note
				December 31, 2022	December 31, 2021	Number of Shares	Percentage of Ownership	Carrying Amount			
Symtek Automation Asia Co., Ltd.	Symtek Automation Ltd.	British Virgin Islands	Investment	$ 298,447	$ 298,447	26,272	100%	$ 1,572,182	$ 244,544	$ 244,084 (Note 1)	Subsidiary

Note 1: The amount of $244,544 thousand was recognized as the net income of the investee based on the equity in the investee, after adjusting the realized gain or loss of $2,628 thousand and the unrealized gain or loss of $(3,088) thousand from the downstream transactions.

SYMTEK AUTOMATION ASIA CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

YEAR 2022

TABLE 6

(In Thousands of New Taiwan Dollars/Thousands of Shares)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Profit (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Profit or Loss Recognized (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022	Note
					Outward	Inward							
Symtek Automation China Co., Ltd.	Equipment manufacturing and sales	$ 818,750 (RMB 180,000,000)	(2) (Note 5)	$ 298,447	$ -	$ -	$ 298,447	$ 244,544	100%	$ 244,084 (Note 3)	$ 1,572,182	$ -	-
Symtek Technology Jiangsu Co., Ltd.	Equipment manufacturing and sales	120,713 (RMB 27,000,000)	(3) (Note 6)	-	-	-	-	(9,815)	60% (Note 7)	(9,154) (Note 4)	65,539	-	-

Accumulated Investments in Mainland China as of December 31, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$298,447 (HK$39,800,000 and RMB 30,000,000)	$793,440 (HK$48,000,000 and RMB135,137,000)	$2,187,865

Note 1: The following three types of investment methods are distinguished and can be labeled as follows:

(1) Direct investment in Mainland China.

(2) Reinvesting in China through a third-party company (please specify the third-party investment company).

(3) Other methods.

Note 2: For the column of "Investment Profit or Loss Recognized ":

(1) If the investment is under preparation and no investment profit or loss is available, please specify.

(2) Investment profit or loss is recognized on the following three bases, which should be specified:

A. Financial statements audited by an international accounting firm with which the R.O.C. accounting firm has a cooperative relationship.

B. Financial statements audited by a certified public accountant of the parent company in Taiwan.

C. Others.

Note 3: The investment profit or loss was recognized based on Note 2, (2) B., which was based on the investee's financial statements audited by the parent company's accountants in Taiwan, and the net income of the investee was recognized in proportion to the equity in the investee's net income of $244,544 thousand, after adjusting for the realized gain or loss of $2,628 thousand and the unrealized gain or loss of $(3,088) thousand on the downstream transactions.

Note 4: The recognition basis for investment gains or losses is based on Note 2, item (2) B. Investment gains or losses are recognized based on the financial statements of the invested company during the same period as audited by the Taiwan parent company's accountant, and recognized according to the equity ratio. The net loss of the invested company was $9,154 thousand.

Note 5: The investment company in the third region is Symtek Automation Ltd.

Note 6: A company reinvested by the subsidiary Symtek Automation China Co., Ltd.

Note 7: In September 2022, Symtek China did not subscribe for the cash-increased shares of Symtek Jiangsu according to its shareholding proportion, resulting in a decrease in its shareholding proportion from 100% to 60%.

SYMTEK AUTOMATION ASIA CO., LTD.

DETAILS OF SIGINIFICANT TRANSACTIONS WITH INVESTEES IN MAINLAND CHINA

YEAR 2022

TABLE 7 (In Thousands of New Taiwan Dollars)

1. Purchase

Investee Company	Third Jurisdiction Business	Trading Conditions			Purchase		Notes and Accounts Payable		Note
		Price	Payment Terms	Compared with General Trading	Amount	%	Amount	%	
Symtek Automation China Co., Ltd.	—	Under normal trading conditions	Within 3 months of delivery	Equivalent	$ 5,769	0.27%	$ 574	0.06%	-

2. Sale

Investee Company	Third Jurisdiction Business	Trading Conditions			Sale		Gross Profit on Sales	Unrealized Gross Profit on Sales	Notes and Accounts Payable		Note
		Price	Payment Terms	Compared with General Trading	Amount	%			Amount	%	
Symtek Automation China Co., Ltd.	—	Under normal trading conditions	Within 4 months of delivery	Equivalent	$ 48,402	1.42%	$ 14,259	$ 3,088	$ 13,779	2.37%	-

SYMTEK AUTOMATION ASIA CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS

DECEMBER 31, 2022

TABLE 8

Name of Major Shareholder	Shares	
	Number of Shares Held	Percentage of Ownership (%)
Royal Max Holdings Limited	4,161,270	5.82%
Gudeng Precision Industrial Co., Ltd.	4,000,000	5.59%

Note 1: 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 preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the parent company only financial statements may differ from the actual number of shares that have been issued without physical registration because of differences in the basis of preparation.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System website of the TWSE.

6. If the Company and its affiliated enterprises have experienced financial difficulties in the most recent year and as of the date of the annual report, the impact on the Company's financial position shall be stated (None)

VII. Review of Financial Conditions, Financial Performance, and Risk Management

1. Analysis of Financial Status

Unit: NT$ thousands

Item \ Year	2022	2021	Difference	
			Amount	%
Current assets	5,847,107	4,972,007	875,100	17.6
Property, plant and equipment	1,688,053	688,583	999,470	145.1
Intangible assets	14,501	12,698	1,803	14.2
Other assets	358,526	506,586	-148,060	-29.2
Total assets	7,908,187	6,179,874	1,728,313	28.0
Current liabilities	3,300,977	2,655,269	645,708	24.3
Other liabilities	915,522	198,324	717,198	361.6
Total liabilities	4,216,499	2,853,593	1,362,906	47.8
Share capital	714,317	701,019	13,298	1.9
Capital reserve	1,506,096	1,428,094	78,002	5.5
Retained earnings	1,447,432	1,232,110	215,322	17.5
Other interests	-21,404	-34,942	13,538	-38.7
Non-control equity	45,247	-	45,427	100.0
Total stockholders' equity	3,691,688	3,326,281	365,407	11.0

Analysis of changes (percentage change of 20% or more and amount exceeding NT$10 million):

1.PPE increase: Due to purchase new land for constructure factory

2. Other assets decrease: Due to prepayment for land transform to PPE

3. Current and non-curent liability increase: Due to operation growth, raw meterail require increase, account payable increase

4. Other equity decrease: Due to Exchange differences on translation of the financial statements of foreign operations decrease

5. Non-control equity increase: Due to hold synpower Co., Ltd share not 100%

2. Operating Performance

(1) Comparative Analysis of Operating Performance

Unit: NT$ thousands

Item \ Year	2020	2021	Increase (Decrease)	Percentage of Change (%)
Net operating revenue	5,761,799	4,905,620	856,179	17.45
Operating costs	4,120,733	3,305,810	814,923	24.65
Gross profit	1,641,066	1,599,810	41,256	2.58
Operating expenses	797,679	776,367	21,312	2.75
Operating income	843,387	823,443	19,944	2.42
Non-operating income and expenses	44,107	11,940	32,167	269.41
Income before taxes from continuing operations	887,494	835,383	52,111	6.24
Income tax expense (benefit)	221,161	183,737	37,424	20.37
Income after taxes from continuing operations	666,333	651,646	14,687	2.25

Major changes in operating revenue, net operating revenue, and profit before income tax for the last two years: (For changes of 20% or more in the previous and current periods and changes amounting to NT$10 million, please provide an analysis)

1. Increase in operating costs: Due to raw material price increase
2. Increase in Non-operating income and expenses: Due to Ukrainian-Russian War, FED raise interest rate lead NTD depreciation
3. Increase in income tax: due to the increase in profit before income tax.

(2) The expected sales volume and its basis, the possible impact on the Company's future financial operations and the response plan (the Company has not prepared financial projections, thus not applicable).

3. Analysis of Cash Flow

(a) Analysis of changes in cash flows for the most recent year

Unit: NT$ thousands

Year / Items	2022	2021	Increase (Decrease)	Percentage of Change (%)
Cash inflows (outflows) from operating activities	66,004	678,357	(612,353)	-90.27
Cash inflows (outflows) from investing activities	812,337	264,967	547,370	206.58
Cash inflows (outflows) from financing activities	274,713	(15,389)	290,102	-1,885.13
Change analysis for cashflow: (1) Operating activity: due to 2022 H2 order received from customer, but not yet delivery, WIP stock increase lead cash flow outflow. (2) Investment activity: due to purchase new land in 2022 (3) Financing activity: due to purchase new land in 2022, loan from bank.				

(b) Improvement plan for liquidity deficiency (None)

(c) Cash flow analysis for the coming year

Unit: NT$ thousands

Cash Balance at Beginning of Period (1)	Net Cash Flows from Operating Activities for the Year (2)	Net Cash Flows in Investing and Financing Activities for the Year (3)	Cash Surplus (Shortfall)	Remedies for Cash Deficit	
			(1)+(2)+(3)	Investment Plan	Financial Management Plan
515,429	4,654,457	(5,910,614)	(740,728)	-	Bank Loan, Issue fresh capital and convert bond

(1) Operating activities: The net cash inflow from operating activities was mainly due to the increase in sales revenue.

(2) Investing and financing activities: mainly consisted of cash dividends, payment for land and construction of new plants.

(3) Cash shortage supplement analysis: Except operating activity cash inflow, we will issue fresh capital and convert bond or bank loan.

4. Impact of the Major Capital Expenditure Items on Financial Operations:

The Company purchased new land in 2021 for the construction of additional plants; the deposit and contract payments were paid in cash by the Company, and subsequent borrowings will be secured by way of land construction financing from banks to pay for the subsequent payments for land and construction; as the Company is in good operating condition, the cash inflow from operating activities is stable and sufficient to repay the bank loans on a regular basis.

5. Reinvestment Policy

(1)The Company's reinvestment policy, the main reasons for profit or loss, and improvement plans for the most recent year

The Company focuses on its own business, so its main reinvestment is in overseas sales offices, and its investment in the past year is as follows:

Investee company	Shareholding ratio	Recognized profit or loss of investee company	Reason for profit	Improvement plan
Symtek Automation Ltd.	100%	244,544	The investee company achieves economies of scale in production and generates benefits.	None
SLK Ltd.	60%	(9,815)	New establish firm, still in loss period	None

Note: The above analysis is to disclose the amount of the book value of investments in excess of 5% of the paid-in capital for the year.

(2)Investment plans for the coming year: The main purpose is to build additional plants to expand the Company's production capacity to meet the strong growth demand of customers.

6. Risk Analysis for the Latest Year and as of the Date of Publication of the Annual Report

(1) The impact of changes in interest rates, exchange rates and inflation on the Company's profit or loss and future response measures

1. Impact of interest rate changes on the Company's profit and loss and future response measures:
   The Company's capital planning is based on the principle of soundness and safety management is the priority in capital allocation. Considering the future development of the Company, we will continue to maintain good relationship with banks to obtain more favorable interest rates, and also consider the cost of different sources of funds to choose appropriate fund raising methods to meet the needs of growth. However, the current low interest rates do not have much impact on the Company.
2. The impact of exchange rate changes on the Company's profit and loss and future response measures:
   The Company's collection of payments are mainly in New Taiwan dollars and Renminbi, with some payments in U.S. dollars and Euros, totaling approximately 11%, and payments for raw materials are also mainly in New Taiwan dollars and Renminbi, accounting for over 90% of the total; therefore, the Company has adopted a natural hedging policy with respect to exchange rates. In view of the high volatility of exchange rates in recent years, the Finance Department collects timely information from banks and pays close attention to the changes in exchange rates, so as to reduce the impact of exchange rate changes on the Company.
3. Impact of inflation on the Company's profit or loss and future response measures:
   The Company has not been significantly affected by inflation.

(2) The Company's policy on engaging in high-risk, highly leveraged investments, loaning of funds to others, endorsement and guarantee, and derivative transactions, the main reasons for profit or loss, and future response measures

1. All of the Company's investments are carefully evaluated and handled in accordance with the “Procedures for the Acquisition or Disposal of Assets” and the provisions of the approval authority, and as of 2019, the Company has not engaged in high-risk, high-leverage investments.
2. For the loaning of funds and endorsement/guarantee, the targets are the Company's related companies and subsidiaries, and are handled in accordance with the Company's “Procedures for Loaning Funds to Others” and “Procedures for Endorsement/Guarantee”.
3. All derivative transactions are conducted in accordance with the “Procedures for the Acquisition or Disposal of Derivative Instruments” under the “Procedures for the Acquisition or Disposal of Assets” of the Company. As of the end of 2019, the Company has not engaged in derivatives for investment purposes.

(3) Future R&D plans and estimated R&D expenses
   The future R&D plan is to focus on modularization, intelligence and unmanned plant equipment, and to develop semiconductor automation equipment to enhance the added value of the Company's products in order to pursue the simultaneous growth of the Company's turnover and profitability; it is estimated that 5~10% of sales revenue will be spent on R&D.

(4) Impact of important domestic and foreign policies and legal changes on the Company's financial operations and response measures
   The Company follows the relevant domestic and foreign laws and regulations in its daily operations, enhances the internal management mechanism of corporate governance, and keeps an eye on domestic and foreign policy trends and changes in laws and regulations in order to fully grasp and respond to changes in the market environment. Therefore, changes in domestic and foreign policies and laws have not had a significant impact on

the Company's financial operations in recent years.

(5) Impact of technological changes (including information security risks) and industry changes on the Company's financial operations and response measures

The Company continues to invest in research and development of new technologies, components and products to support the market development of its business units. The business units are always gathering new information from the market and working with R&D staff to develop equipment that meets customer needs. Recent technological changes and industry changes have not had a significant impact on the Company's financial operations.

The Company has established comprehensive network and computer-related information security measures and prepared off-site backups of each system to strengthen the control or maintain the Company's computer systems for important corporate functions such as manufacturing operations and accounting, which should be effective in preventing network attacks from any third party that could paralyze the system.

(6) Impact of corporate image change on corporate crisis management and response measures

The Company operates on the principle of stability and integrity, complies with relevant laws and regulations, actively strengthens internal management and improves management quality and performance, and maintains harmonious labor relations with the goal of being a “happy enterprise”. In 2018, the Company prepared its own CSR report to establish and maintain a good corporate image and to fulfill its obligations to the society.

(7) Expected benefits and potential risks of mergers and acquisitions

The Company had no plans for mergers and acquisitions in the latest year and as of the date of the annual report.

(8) Expected benefits and potential risks of plant expansion.

In October 2021, the Company purchased a new plot of land in Zhongli District, Taoyuan City, which is intended to be used for the construction of additional plants to expand the Company's current production capacity constraints. The project is expected to be completed by the end of 2024 and will provide 300 to 500 quality jobs to meet the upcoming demand of the Internet of Things, artificial intelligence, driverless, high-speed computing and biotechnology industries, which is expected to contribute to the future expansion of operations. The Company has continuously evaluated the potential risks of insufficient capital, delayed construction progress and business acceptance status that may arise from plant expansions prior to investment, and has formulated relevant measures to reduce the adverse impact of each risk on the Company's operations.

(9) Risks of concentration of imports or sales

1. Risks of concentration of imports and response measures

The Company's main raw materials are basically divided into purchased parts and processed parts. Most of the purchased parts are electronic materials, which are all standard products in the market. Except for the materials specified by customers, the flexibility of substitution of purchased parts is very high, and our procurement policy is to select a secondary supplier as a backup. For processed parts, we have two or more suppliers. In addition, we established a processing department in 2011 as a backup for important components, and we also control our own technology as a key component, so there is no concentration of imports.

2. Risks of concentration of sales and response measures

The Company's sales of equipment products cover PCB (printed circuit board), FPD (flat panel display) and SEMI (semiconductor wafer and packaging) industries, of which only two customers accounted for more than 10% of revenue of the Company in 2021. Considering the stability and growth of our operations, we will continue to develop new customers and expand our business through our overseas subsidiaries and sales offices. The Company's sales to a single customer in 2021 had not reached 20%, so there is no

risk of concentration of sales.

(10) Effects and risks of substantial changes in the shareholdings of directors, supervisors or substantial shareholders holding more than 10% of the shares of the Company (None)

(11) Effects and risks of changes in management rights on the Company (None)

(12) Significant impact of litigation or non-litigation events on shareholders' equity or securities prices (None)

(13) Information security risk assessment and response measures:

1. Information security risk management framework, information security policies, specific management plans and resources devoted to information security management:

   Information security risk management framework

   The Company has established the Information Security Management Committee, which is in charge of IT-related matters required for operation, with the General Manager as the chairperson (convener) and the top executive of the information unit as the Chief Information Security Officer, uniting the top executives of each business unit, information, auditing, and legal affairs units. Regular meetings are held to make decisions, manage and promote information security matters, to fulfill the responsibilities of business operators, to protect the legitimate rights and interests of shareholders, and to take into account the interests of other stakeholders.

   Information security policy and specific management plan

   (1) To conduct information security education and training, and to build employees' awareness of information security.

   (2) To protect the Company's confidential information.

   (3) To respect intellectual property rights and protect customer and company information.

   (4) To prevent the attack of computer virus.

   (5) To ensure that all information security incidents or suspected security vulnerabilities are reported in accordance with the appropriate notification mechanism, and are properly investigated and handled.

   (6) To meet the requirements of relevant laws or regulations to achieve the goal of business continuity.

   Resources devoted to information security management

   (1) Encryption security of corporate information

   (2) Permission and access management

   (3) Financial & R&D information are backed up offsite

   (4) Regular anti-virus software updates, firewall log management

2. Provide a description of the losses suffered due to significant information security incidents, their possible impact and the measures to be taken in the most recent year and as of the date of the annual report, and if it cannot be reasonably estimated, the facts that it cannot be reasonably estimated should be explained. For the year 2021 and as of the date of the annual report, the Company has not identified any significant network security threats, nor has there been any legal cases or regulatory investigations related to such incidents.

   The above measures have effectively safeguarded the Company's information from improper access and hackers.

(14) Other significant risks (None)

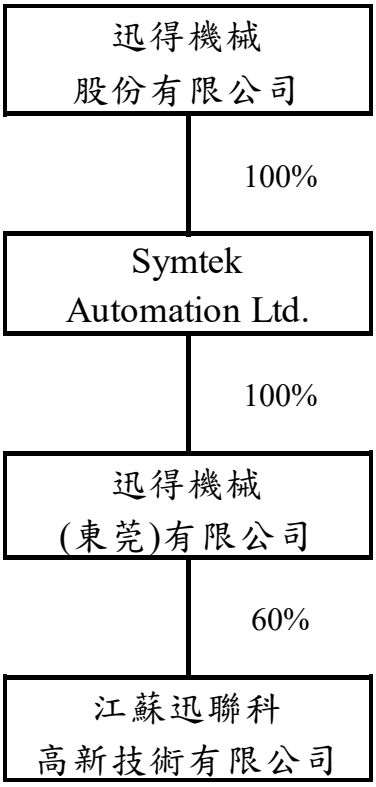
7. Other Important Matters (None)

VIII. Special Disclosure

1. Information of the Affiliated Companies

(1) Affiliation reports

1. Organizational Chart of the Affiliated Companies



2. Basic Information of the Affiliated Companies

December 31, 2021; Unit: NT$1,000

Company Name	Date of Establishment	Address	Paid-in Capital	Main Business or Production Items
Symtek Automation Ltd.	2004.06	British Virgin Islands	298,447	Investment
Symtek Automation China Co., Ltd.	2004.06	Changping Town, Dongguan City, Guangdong Province, China	686,977	Equipment manufacturing and sales
Jiangsu Xunlianke High-Tech Co., Ltd.	2022.02	Huai'an City, Jiangsu Province, China	234,900	Parts processing and sales Equipment manufacturing and sales

3. Information on the same shareholders as those presumed to be in a controlling or subordinate relationship: None.

4. The following industries are covered by the overall affiliates' operations: Equipment manufacturing and sales.

Name of associate	Business scope	Division of labor
Symtek Automation Ltd.	Investment	Holding
Symtek Automation China Co., Ltd.	Equipment manufacturing and sales	Development, manufacture and sale of machinery and equipment
Jiangsu Xunlianke High-Tech Co., Ltd.	Parts processing and sales Equipment manufacturing and sales	Parts processing and sales Equipment manufacturing and sales

5. Information on directors, supervisors and General Managers of affiliates:

December 31, 2021

Name of enterprise	Title	Name or representative	Shares held	
			Shares	Shareholding ratio (%)
Symtek Automation Ltd.	Director	Legal representative of Symtek Automation Ltd.: Lin, Zhao-De	21,631,824	100%
Symtek Automation China Co., Ltd.	Chairperson	Legal representative of Symtek Automation Ltd.: Wang, Nien-Ching	Note	100%
Jiangsu SLK High-Tech Co., Ltd.	Chairperson	Legal representative of Symtek Automation Ltd.: Xie, Jian-Ping	Note	60%

Note: A limited company with no number of shares

6. Operation of Affiliates

Units: NT$ thousand, except for earnings per share, which are in NT$

Name of enterprise	Capital	Total assets	Total liabilities	Net worth	Operating income	Operating profit (loss)	Profit (loss) for the period	Loss per share (NT$)
Symtek Automation Ltd.	298,447	1,572,182	0	1,572,182	0	0	0	-
Symtek Automation China Co., Ltd.	815,750	3,061,639	1,441,098	1,620,541	2,347,310	231,431	30,188	-
Jiangsu SLK High-Tech Co., Ltd.	120,713	135,038	24,300	110,738	34,434	(13,576)	(9,815)	-

(2) Consolidated financial statements of associates: For the fiscal year 2022 (from January 1 to December 31, 2022), the companies to be included in the consolidated financial statements of associates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those to be included in the consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10. The information required to be disclosed in the consolidated financial statements of associates has been disclosed in the previous consolidated financial statements of the

parent and subsidiary, and therefore the consolidated financial statements of associates will not be prepared separately.

(3) Relationship Report: Not applicable.

2. Private placement of securities for the most recent year and up to the date of the annual report: Please refer to page 97.

3. Holding or disposal of the Company's shares by subsidiaries in the most recent year and as of the date of the annual report (None)

4. Other necessary supplementary information (None)

5. The occurrence of events that have a significant effect on shareholders' equity or the price of securities as defined in Article 36, Paragraph 2 of the Securities and Exchange Act in the most recent year and as of the date of the annual report (None)

Symtek Automation Asia Co., Ltd.

Chairman: Kuan, Chin-Kun