

**Symtek Automation Asia Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Symtek Automation Asia Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Symtek Automation Asia Co., Ltd. and its subsidiaries (collectively, the “Group”) as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Wen-Yuan Chuang and Tza-Li Gung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 8, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,202,030	27	\$ 1,928,846	24	\$ 1,788,472	22
Financial assets at amortized cost - current (Note 8)	136,499	2	155,619	2	-	-
Contract assets - current (Notes 23 and 30)	720,044	9	665,279	9	599,454	7
Notes receivable from unrelated parties (Note 9)	5,844	-	13,776	-	18,363	-
Notes receivable from related parties (Note 30)	-	-	21,640	-	-	-
Trade receivables from unrelated parties (Notes 9 and 23)	995,554	12	1,083,850	14	1,100,903	14
Trade receivables from related parties (Notes 23 and 30)	49,126	1	2,774	-	58,003	1
Other receivables (Notes 9 and 29)	13,029	-	11,155	-	36,957	-
Inventories (Note 10)	1,376,662	17	1,469,511	19	2,299,873	29
Other current assets (Notes 15 and 31)	81,344	1	95,949	1	76,268	1
Total current assets	5,580,132	69	5,448,399	69	5,978,293	74
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 7)	163,557	2	169,090	2	123,370	2
Property, plant and equipment (Notes 12 and 31)	2,046,495	25	2,043,898	26	1,685,193	21
Right-of-use assets (Note 13)	70,808	1	75,500	1	76,817	1
Intangible assets (Note 14)	12,394	-	12,315	-	13,201	-
Deferred tax assets	160,712	2	148,966	2	117,233	1
Other non-current assets (Notes 15 and 30)	55,186	1	47,119	-	50,058	1
Total non-current assets	2,509,152	31	2,496,888	31	2,065,872	26
TOTAL	<u>\$ 8,089,284</u>	<u>100</u>	<u>\$ 7,945,287</u>	<u>100</u>	<u>\$ 8,044,165</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	\$ 200,000	3	\$ 200,000	3	\$ 394,431	5
Contract liabilities - current (Notes 23 and 30)	333,644	4	485,291	6	567,142	7
Trade payables to unrelated parties (Note 18)	1,037,213	13	835,314	11	1,458,788	18
Other payables (Notes 19 and 30)	729,923	9	637,841	8	940,207	12
Current tax liabilities	103,460	1	89,419	1	170,769	2
Provisions - current (Note 20)	89,498	1	92,645	1	114,058	1
Lease liabilities - current (Note 13)	31,919	1	32,519	-	39,914	1
Current portion of long - term borrowings (Note 16)	28,888	-	47,922	1	20,240	-
Other current liabilities (Note 19)	2,756	-	2,580	-	2,452	-
Total current liabilities	2,557,301	32	2,423,531	31	3,708,001	46
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Note 17)	210	-	930	-	-	-
Bonds payable (Note 17)	287,395	4	285,898	4	-	-
Long-term loans (Note 16)	918,253	11	966,279	12	720,911	9
Deferred tax liabilities	166,047	2	150,498	2	131,272	2
Lease liabilities - non-current (Note 13)	24,123	-	28,104	-	21,827	-
Other non-current liabilities (Note 19)	2,936	-	2,936	-	2,227	-
Total non-current liabilities	1,398,964	17	1,434,645	18	876,237	11
Total liabilities	3,956,265	49	3,858,176	49	4,584,238	57
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)						
Share capital						
Ordinary shares	752,817	9	752,817	10	714,317	9
Capital surplus	1,854,049	23	1,854,049	23	1,506,096	18
Retained earnings						
Legal reserve	424,099	5	424,099	5	357,550	5
Special reserve	21,404	1	21,404	-	34,942	-
Unappropriated earnings	965,452	12	1,006,847	13	815,164	10
Total retained earnings	1,410,955	18	1,452,350	18	1,207,656	15
Other equity	3,171	-	(14,547)	-	(11,967)	-
Total equity attributable to shareholders of the company	4,020,992	50	4,044,669	51	3,416,102	42
NON-CONTROLLING INTERESTS (Notes 11 and 22)	112,027	1	42,442	-	43,825	1
Total equity	4,133,019	51	4,087,111	51	3,459,927	43
TOTAL	<u>\$ 8,089,284</u>	<u>100</u>	<u>\$ 7,945,287</u>	<u>100</u>	<u>\$ 8,044,165</u>	<u>100</u>

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

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)	\$ 1,273,301	100	\$ 1,568,491	100
OPERATING COSTS (Notes 10 and 24)	<u>(881,046)</u>	<u>(69)</u>	<u>(1,136,459)</u>	<u>(73)</u>
GROSS PROFIT	<u>392,255</u>	<u>31</u>	<u>432,032</u>	<u>27</u>
OPERATING EXPENSES (Notes 9, 23, 24 and 30)				
Selling and marketing	(43,715)	(3)	(37,063)	(2)
General and administrative	(96,181)	(7)	(94,740)	(6)
Research and development	(97,804)	(8)	(81,661)	(5)
Expected credit (loss) / gain	<u>(8,656)</u>	<u>(1)</u>	<u>7,455</u>	<u>-</u>
Total operating expenses	<u>(246,356)</u>	<u>(19)</u>	<u>(206,009)</u>	<u>(13)</u>
PROFIT FROM OPERATIONS	<u>145,899</u>	<u>12</u>	<u>226,023</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES (Note 24)				
Interest income	5,185	-	4,511	-
Other income	1,835	-	4,334	-
Other gains and losses	13,993	1	(2,431)	-
Finance costs	<u>(6,923)</u>	<u>-</u>	<u>(7,193)</u>	<u>-</u>
Total non-operating income and expenses	<u>14,090</u>	<u>1</u>	<u>(779)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	159,989	13	225,244	14
INCOME TAX EXPENSE (Note 25)	<u>(23,412)</u>	<u>(2)</u>	<u>(36,526)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>136,577</u>	<u>11</u>	<u>188,718</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 22 and 29)	(5,533)	(1)	2,927	-

(Continued)

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating of the financial statements of foreign operations	\$ 30,546	2	\$ 6,812	1
Income tax related to items that may be reclassified subsequently to profit or loss (Note 25)	<u>(5,813)</u>	<u>-</u>	<u>(1,628)</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>19,200</u>	<u>1</u>	<u>8,111</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 155,777</u>	<u>12</u>	<u>\$ 196,829</u>	<u>13</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the company	\$ 146,809	12	\$ 188,814	12
Non-controlling interests	<u>(10,232)</u>	<u>(1)</u>	<u>(96)</u>	<u>-</u>
	<u>\$ 136,577</u>	<u>11</u>	<u>\$ 188,718</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the company	\$ 164,527	13	\$ 198,251	13
Non-controlling interests	<u>(8,750)</u>	<u>(1)</u>	<u>(1,422)</u>	<u>-</u>
	<u>\$ 155,777</u>	<u>12</u>	<u>\$ 196,829</u>	<u>13</u>
EARNINGS PER SHARE (Note 26)				
Basic earnings per share	<u>\$ 1.95</u>		<u>\$ 2.64</u>	
Diluted earnings per share	<u>\$ 1.89</u>		<u>\$ 2.63</u>	

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

(Concluded)

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
							Other Equity		Total	Total	Non-controlling Interest	Total Equity
							Exchange Difference on Translating of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total						
BALANCE AT JANUARY 1, 2023	\$ 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
Appropriation of earnings												
Cash dividends distributed by the Company	-	-	-	-	(428,590)	(428,590)	-	-	-	(428,590)	-	(428,590)
Net profit for the three months ended March 31, 2023	-	-	-	-	188,814	188,814	-	-	-	188,814	(96)	188,718
Other comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	-	6,510	2,927	9,437	9,437	(1,326)	8,111
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	188,814	188,814	6,510	2,927	9,437	198,251	(1,422)	196,829
BALANCE AT MARCH 31, 2023	\$ 714,317	\$ 1,506,096	\$ 357,550	\$ 34,942	\$ 815,164	\$ 1,207,656	\$ (10,716)	\$ (1,251)	\$ (11,967)	\$ 3,416,102	\$ 43,825	\$ 3,459,927
BALANCE AT JANUARY 1, 2024	\$ 752,817	\$ 1,854,049	\$ 424,099	\$ 21,404	\$ 1,006,847	\$ 1,452,350	\$ (39,016)	\$ 24,469	\$ (14,547)	\$ 4,044,669	\$ 42,442	\$ 4,087,111
Appropriation of earnings												
Cash dividends distributed by the Company	-	-	-	-	(188,204)	(188,204)	-	-	-	(188,204)	-	(188,204)
Net profit for the three months ended March 31, 2024	-	-	-	-	146,809	146,809	-	-	-	146,809	(10,232)	136,577
Other comprehensive loss for the three months ended March 31, 2024	-	-	-	-	-	-	23,251	(5,533)	17,718	17,718	1,482	19,200
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	146,809	146,809	23,251	(5,533)	17,718	164,527	(8,750)	155,777
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	78,335	78,335
BALANCE AT MARCH 31, 2024	\$ 752,817	\$ 1,854,049	\$ 424,099	\$ 21,404	\$ 965,452	\$ 1,410,955	\$ (15,765)	\$ 18,936	\$ 3,171	\$ 4,020,992	\$ 112,027	\$ 4,133,019

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

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 159,989	\$ 225,244
Adjustments for:		
Depreciation expense	15,056	16,381
Amortization expense	6,386	6,332
Expected credit loss recognized (reversed) on trade receivables and contract assets	8,656	(7,455)
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(720)	-
Financial costs	6,923	7,193
Interest income	(5,185)	(4,511)
Gain on disposal of property, plant and equipment	-	(397)
Write-down of inventories	21,771	40,836
Changes in operating assets and liabilities		
Contract assets	(50,523)	55,530
Notes receivable from unrelated parties	8,077	12,134
Notes receivable from related parties	21,640	-
Trade receivables from unrelated parties	88,381	286
Trade receivables from related parties	(46,279)	37,307
Other receivables	(1,873)	(6,656)
Inventories	82,593	(32,910)
Other current assets	12,674	71,582
Contract liabilities	(156,083)	(167,523)
Trade payables to unrelated parties	193,801	(120,275)
Other payables	12,089	(8,400)
Provisions - current	(3,834)	4,776
Other current liabilities	177	(803)
Cash generated from operations	373,716	128,671
Interest received	5,185	4,511
Interest paid	(5,390)	(6,714)
Income tax paid	(10,442)	(34,165)
Net cash generated from operating activities	363,069	92,303
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at amortized cost	21,823	-
Payments for property, plant and equipment	(118,065)	(9,483)
Proceeds from disposal of property, plant and equipment	-	427
Increase in refundable deposits	(160)	(629)
payments for intangible assets	(1,576)	(95)
Decrease in other financial assets	-	25,419
		(Continued)

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
Increase in other non-current assets	\$ -	\$ (9,723)
Increase in prepayments for real estate	<u>(8,838)</u>	<u>-</u>
Net cash (used in) generated from investing activities	<u>(106,816)</u>	<u>5,916</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	100,000	254,441
Repayments of short-term borrowings	(100,000)	(20,000)
Proceeds from long-term borrowings	88,000	-
Repayments of long-term borrowings	(155,060)	(5,060)
Repayment of the principal portion of lease liabilities	(9,534)	(10,544)
Changes in non-controlling interests	<u>78,335</u>	<u>-</u>
Net cash generated from financing activities	<u>1,741</u>	<u>218,837</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>15,190</u>	<u>2,460</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	273,184	319,516
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,928,846</u>	<u>1,468,956</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,202,030</u>	<u>\$ 1,788,472</u>

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

(Concluded)

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Symtek Automation Asia Co., Ltd. (the “Company”) was incorporated in the Republic of China (ROC) in October 1999, 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 (NTD).

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 8, 2024.

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

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

The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of the Company and entities controlled by the Company (collectively as the “Company”).

- b. The IFRS Accounting Standards issued by International Accounting Standards Board (IASB), but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	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 by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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 an 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 an asset or liability.

c. 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).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 11 and Tables 4 and 5 for detailed information on subsidiaries (including percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

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

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

2) Retirement benefit plan

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When developing material accounting estimates, the Group considers the possible impact of inflation and interest rate fluctuations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The accounting policies applied to these consolidated financial statements are consistent with those applied to the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 280	\$ 268	\$ 240
Checking accounts demand deposits	1,455,497	1,466,831	1,308,043
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	<u>746,253</u>	<u>461,747</u>	<u>480,189</u>
	<u>\$ 2,202,030</u>	<u>\$ 1,928,846</u>	<u>\$ 1,788,472</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investment in equity instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares			
SynPower Co., Ltd.	\$ 123,857	\$ 129,390	\$ 115,100
Unlisted shares			
New Smart Technology Co., Ltd.	8,870	8,870	7,270
Ever Radiant Inc.	-	-	-
Great Talent Tech Co., Ltd.	1,000	1,000	1,000
TSS Holding Limited	<u>29,830</u>	<u>29,830</u>	<u>-</u>
	<u>\$ 163,557</u>	<u>\$ 169,090</u>	<u>\$ 123,370</u>

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

The management of the Group 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 June 15, 2023, the Group invested in TSS Holdings Limited for \$20,000 thousand, which is designated as an investment at FVTOCI because it is a medium- to long-term strategic investment in view of the Group's international strategy.

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 136,499</u>	<u>\$ 155,619</u>	<u>\$ -</u>

As the three months ended March 31, 2024 and the years ended December 31, 2023, the ranges of interest rates for time deposits with original maturities of more than 3 months were from 2.1% to 5.0% and 2% to 5% per annum respectively.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Notes receivable - operating</u>			
At amortized cost			
Gross carrying amount	\$ 5,844	\$ 13,776	\$ 18,363
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,844</u>	<u>\$ 13,776</u>	<u>\$ 18,363</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,106,616	\$ 1,151,058	\$ 1,156,213
Less: Allowance for impairment loss	<u>(117,911)</u>	<u>(106,373)</u>	<u>(84,620)</u>
	988,705	1,044,685	1,071,593
At FVTOCI	<u>6,849</u>	<u>39,165</u>	<u>29,310</u>
	<u>\$ 995,554</u>	<u>\$ 1,083,850</u>	<u>\$ 1,100,903</u>
<u>Other receivables</u>			
Transfer of trade receivable factoring	\$ 11,883	\$ 10,009	\$ 36,957
Other	<u>1,146</u>	<u>1,146</u>	<u>-</u>
	<u>\$ 13,029</u>	<u>\$ 11,155</u>	<u>\$ 36,957</u>

Trade Receivables

a. At amortized cost

The average credit period of sales of goods is 90 to 365 days. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group provides for expected credit losses based on the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

b. At FVTOCI

For trade receivables, the Group will decide whether to sell these trade receivables to banks without recourse based on its level of working capital. These trade receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets.

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

March 31, 2024

	No Signs of Default by Counterparties						Total
	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 366 Days	
Expected credit loss rate	0.36%	6.71%	11.28%	11.12%	48.07%	100%	
Gross carrying amount	\$ 644,802	\$ 102,703	\$ 88,511	\$ 187,169	\$ 35,111	\$ 61,013	\$ 1,119,309
Loss allowance (Lifetime ECLs)	(2,320)	(6,896)	(9,985)	(20,820)	(16,877)	(61,013)	(117,911)
Amortized cost	<u>\$ 642,482</u>	<u>\$ 95,807</u>	<u>\$ 78,526</u>	<u>\$ 166,349</u>	<u>\$ 18,234</u>	<u>\$ -</u>	<u>\$ 1,001,398</u>

December 31, 2023

	No Signs of Default by Counterparties						Total
	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 366 Days	
Expected credit loss rate	0.29%	8.94%	8.36%	29.56%	46.22%	100%	
Gross carrying amount	\$ 768,408	\$ 119,913	\$ 207,715	\$ 36,739	\$ 11,134	\$ 60,090	\$ 1,203,999
Loss allowance (Lifetime ECLs)	(2,204)	(10,716)	(17,358)	(10,859)	(5,146)	(60,090)	(106,373)
Amortized cost	<u>\$ 766,204</u>	<u>\$ 109,197</u>	<u>\$ 190,357</u>	<u>\$ 25,880</u>	<u>\$ 5,988</u>	<u>\$ -</u>	<u>\$ 1,097,626</u>

March 31, 2023

	No Signs of Default by Counterparties						Total
	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 366 Days	
Expected credit loss rate	0.33%	3.44%	19.13%	50.08%	34.38%	100%	
Gross carrying amount	\$ 918,422	\$ 128,621	\$ 71,707	\$ 24,685	\$ 14,288	\$ 46,163	\$ 1,203,886
Loss allowance (Lifetime ECLs)	(3,047)	(4,422)	(13,714)	(12,362)	(4,912)	(46,163)	(84,620)
Amortized cost	<u>\$ 915,375</u>	<u>\$ 124,199</u>	<u>\$ 57,993</u>	<u>\$ 12,323</u>	<u>\$ 9,376</u>	<u>\$ -</u>	<u>\$ 1,119,266</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ 106,373	\$ 91,465
Add: Net remeasurement of loss allowance	9,953	-
Less: Net remeasurement of loss allowance	-	(7,261)
Foreign exchange gains and losses	<u>1,585</u>	<u>416</u>
Balance at March 31	<u>\$ 117,911</u>	<u>\$ 84,620</u>

The Group entered into a non-recourse sale contract with the bank for the trade receivable arising from

the sale of a portion of the consolidated receivable on credit. For information on the Group's sale of trade receivable. Refer to Note 29 (e) for details of the factoring agreements for trade receivables.

10. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Finished goods	\$ 21,149	\$ 18,031	\$ 3,862
Work-in-progress	1,255,886	1,342,852	2,099,467
Raw materials	<u>99,627</u>	<u>108,628</u>	<u>196,544</u>
	<u>\$ 1,376,662</u>	<u>\$ 1,469,511</u>	<u>\$ 2,299,873</u>

The cost of goods sold for the three months ended March 31, 2024 and 2023 included inventory write-downs of \$21,771 thousand and \$40,836 thousand, respectively.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Nature of Activities	Proportion of Ownership			Remark
			March 31, 2024	December 31, 2023	March 31, 2023	
Symtek Automation Asia Co., Ltd.	Symtek Automation Ltd. (SAL)	Investment	100.00%	100.00%	100.00%	-
SAL	Symtek Automation China Co., Ltd. (Symtek China)	Equipment manufacturing and sales	100.00%	100.00%	100.00%	-
Symtek China	Symtek Power Asia Co., Ltd.	Equipment manufacturing and sales	60.00%	60.00%	60.00%	(1), (2)
Symtek Power Asia Co., Ltd.	Symtek Power Automation Technology (Thailand) Co., Ltd.	Equipment sales	100.00%	100.00%	-	(3)

1) In February 2022, Symtek China completed the registration of Symtek Power Asia Co., Ltd. The registered capital of Symtek Power Asia Co., Ltd. was RMB54,000 thousand, and the paid in capital was RMB6,000 thousand, with Symtek China holding a 100% stake. In August 2022, Symtek Power Asia Co., Ltd. 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 Power Asia Co., Ltd. in proportion to its shareholding, its stake decreased from 100% to 60% by September 2022. In January 2024, Symtek Power Asia Co., Ltd. Carried out a cash increase of RMB45,000 thousand. As of March 31, 2024, December 31, 2023 and March 31, 2023, Symtek Power Asia Co., Ltd. paid-in capital was RMB72,000 thousand, RMB27,000 thousand and RMB27,000 thousand.

2) Subsidiary with material non-controlling interests.

3) In May 2023, Symtek Power Automation Technology (Thailand) Co., Ltd. Was registered as a company limited by shares with a capital of THB18,000 thousand. As of March 31, 2024 and December 31, 2023, both of the invested capital were THB18,000 thousand.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	December 31,		
	March 31, 2024	2023	March 31, 2023
Symtek Power Asia Co., Ltd.	40%	40%	40%

Refer to Table 4 for the details of main business location and country of incorporation.

Name of Subsidiary	Profit Allocated to Non- controlling Interests		Accumulated Non-controlling Interests		
	For the Three Months Ended March 31		March 31,	December 31,	March 31,
	2024	2023	2024	2023	2023
Symtek Power Asia Co., Ltd.	\$ (10,232)	\$ (96)	\$ 112,027	\$ 42,442	\$ 43,825

The summarized financial information below represents amounts before intragroup eliminations.

Symtek Power Asia Co., Ltd.

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 404,524	\$ 243,218	\$ 119,561
Non-current assets	34,897	18,469	17,834
Current liabilities	(159,355)	(155,583)	(26,690)
Non-current liabilities	<u>-</u>	<u>-</u>	<u>(1,143)</u>
Equity	<u>\$ 280,066</u>	<u>\$ 106,104</u>	<u>\$ 109,562</u>
Equity attributable to:			
Owners of the Company	\$ 168,039	\$ 63,662	\$ 65,737
Non-controlling interests of Symtek Power Asia Co., Ltd.	<u>112,027</u>	<u>42,442</u>	<u>43,825</u>
	<u>\$ 280,066</u>	<u>\$ 106,104</u>	<u>\$ 109,562</u>
		For the Three Months Ended March 31	
		2024	2023
Operating revenue		<u>\$ 49,664</u>	<u>\$ 29,371</u>
Net loss		\$ (25,581)	\$ (241)
Other comprehensive income		<u>3,704</u>	<u>-</u>
Total comprehensive income		<u>\$ (21,877)</u>	<u>\$ (241)</u>

(Continued)

	For the Three Months Ended March 31	
	2024	2023
Net loss attributable to:		
Owners of the Company	\$ (15,349)	\$ (145)
Non-controlling interests of Symtek Power Asia Co., Ltd.	<u>(10,232)</u>	<u>(96)</u>
	<u>\$ (25,581)</u>	<u>\$ (241)</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ (13,127)	\$ 197
Non-controlling interests of Symtek Power Asia Co., Ltd.	<u>(8,750)</u>	<u>(1,422)</u>
	<u>\$ (21,877)</u>	<u>\$ (1,225)</u>
Cash flows		
Operating activities	\$ 13,965	\$ 4,782
Investing activities	(9,106)	(18)
Financing activities	195,634	(819)
Effect of exchange rate	<u>2,670</u>	<u>303</u>
Net cash inflows	<u>\$ 203,163</u>	<u>\$ 4,248</u>
		(Concluded)

12. PROPERTY, PLANT AND EQUIPMENT

Asset Used by the Group

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property Under Construction	Total
<u>Cost</u>								
Balance at January 1, 2023	\$ 1,345,283	\$ 391,671	\$ 81,410	\$ 5,907	\$ 49,995	\$ 16,696	\$ 11,008	\$ 1,901,970
Additions	-	923	-	-	533	-	1,187	2,643
Transfers from property under construction	-	2,443	528	-	407	-	(3,378)	-
Disposals	-	-	-	-	(277)	-	-	(277)
Effect of foreign currency exchange differences	-	517	170	26	143	75	19	950
Balance at March 31, 2023	<u>\$ 1,345,283</u>	<u>\$ 395,554</u>	<u>\$ 82,108</u>	<u>\$ 5,933</u>	<u>\$ 50,801</u>	<u>\$ 16,771</u>	<u>\$ 8,836</u>	<u>\$ 1,905,286</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2023	\$ -	\$ 99,252	\$ 63,862	\$ 2,482	\$ 36,356	\$ 11,965	\$ -	\$ 213,917
Depreciation expense	-	2,855	1,235	218	1,352	254	-	5,914
Disposals	-	-	-	-	(247)	-	-	(247)
Effect of foreign currency exchange differences	-	251	94	9	107	48	-	509
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 102,358</u>	<u>\$ 65,191</u>	<u>\$ 2,709</u>	<u>\$ 37,568</u>	<u>\$ 12,267</u>	<u>\$ -</u>	<u>\$ 220,093</u>
Carrying amount at March 31, 2023	<u>\$ 1,345,283</u>	<u>\$ 293,196</u>	<u>\$ 16,917</u>	<u>\$ 3,224</u>	<u>\$ 13,233</u>	<u>\$ 4,504</u>	<u>\$ 8,836</u>	<u>\$ 1,685,193</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property Under Construction	Total
Cost								
Balance at January 1, 2024	\$ 1,287,485	\$ 394,064	\$ 87,393	\$ 5,823	\$ 55,459	\$ 16,635	\$ 429,721	\$ 2,276,580
Additions	-	130	-	-	3,174	243	2,691	6,238
Transfers from property under construction	-	-	753	-	172	-	(925)	-
Transfers from right-of-use assets	-	-	-	449	-	-	-	449
Effect of foreign currency exchange differences	-	1,901	693	88	569	259	-	3,510
Balance at March 31, 2024	<u>\$ 1,287,485</u>	<u>\$ 396,095</u>	<u>\$ 88,839</u>	<u>\$ 6,360</u>	<u>\$ 59,374</u>	<u>\$ 17,137</u>	<u>\$ 431,487</u>	<u>\$ 2,286,777</u>
Accumulated depreciation								
Balance at January 1, 2024	\$ -	\$ 109,800	\$ 66,770	\$ 3,187	\$ 40,322	\$ 12,603	\$ -	\$ 232,682
Depreciation expense	-	2,889	1,084	175	1,259	175	-	5,582
Effect of foreign currency exchange differences	-	987	392	47	396	196	-	2,018
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 113,676</u>	<u>\$ 68,246</u>	<u>\$ 3,409</u>	<u>\$ 41,977</u>	<u>\$ 12,974</u>	<u>\$ -</u>	<u>\$ 240,282</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 1,287,485</u>	<u>\$ 284,264</u>	<u>\$ 20,623</u>	<u>\$ 2,636</u>	<u>\$ 15,137</u>	<u>\$ 4,032</u>	<u>\$ 429,721</u>	<u>\$ 2,043,898</u>
Carrying amount at March 31, 2024	<u>\$ 1,287,485</u>	<u>\$ 282,419</u>	<u>\$ 20,593</u>	<u>\$ 2,951</u>	<u>\$ 17,397</u>	<u>\$ 4,163</u>	<u>\$ 431,487</u>	<u>\$ 2,046,495</u>

(Concluded)

No impairment loss or reversal of impairment loss was recognized for the three months ended March 31, 2024 and 2023.

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

Building	
Main buildings	20-50 years
Elevators	10-30 years
Machinery and equipment	3-10 years
Transportation equipment	3-4 years
Office equipment	4-10 years
Other equipment	5 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 31.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amounts</u>			
Land	\$ 14,394	\$ 14,708	\$ 16,449
Buildings	34,243	37,053	32,250
Transportation equipment	<u>22,171</u>	<u>23,739</u>	<u>28,118</u>
	<u>\$ 70,808</u>	<u>\$ 75,500</u>	<u>\$ 76,817</u>

	For the Three Months Ended March 31	
	2024	2023
Additions to right-of-use assets	\$ <u>4,230</u>	\$ <u>-</u>
Depreciation charge for right-of-use assets		
Land	\$ 499	\$ 501
Buildings	5,502	6,458
Transportation equipment	<u>3,473</u>	<u>3,508</u>
	\$ <u>9,474</u>	\$ <u>10,467</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2024 and 2023.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amount</u>			
Current	\$ <u>31,919</u>	\$ <u>32,519</u>	\$ <u>39,914</u>
Non-current	\$ <u>24,123</u>	\$ <u>28,104</u>	\$ <u>21,827</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Land	0.87%	0.87%	0.87%
Buildings	1.52%-4.30%	0.87%-4.30%	0.87%-4.76%
Transportation equipment	0.90%-3.92%	0.90%-3.92%	0.87%-3.90%

c. Material leasing activities and terms

The Group leases certain transportation equipment for official business use for a term of 2 to 3 years. These lease agreement do not contain any renewal or purchase rights.

The Group Company also leases land and buildings for the use of factories and offices with lease terms of 1 to 5 years. At the end of the lease term, the Group 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.

d. Other lease information

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases	\$ 8,664	\$ 8,301
Expenses relating to low-value asset leases	\$ -	\$ -
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ -	\$ -
Total cash outflow for leases	\$ (18,672)	\$ (19,286)

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

14. INTANGIBLE ASSETS

	Computer Software
<u>Cost</u>	
Balance at January 1, 2023	\$ 21,598
Additions	95
Effect of foreign currency exchange differences	34
Balance at March 31, 2023	\$ 21,727
<u>Accumulated amortization</u>	
Balance at January 1, 2023	\$ (7,097)
Amortization expense	(1,418)
Effect of foreign currency exchange differences	(11)
Balance at March 31, 2023	\$ (8,526)
Carrying amount at March 31, 2023	\$ 13,201
<u>Cost</u>	
Balance at January 1, 2024	\$ 23,217
Additions	1,576
Disposals	(2,600)
Effect of foreign currency exchange differences	131
Balance at March 31, 2024	\$ 22,424

(Continued)

**Computer
Software**

Accumulated amortization

Balance at January 1, 2024	\$ (11,002)
Amortization expense	(1,573)
Disposals	2,600
Effect of foreign currency exchange differences	<u>(55)</u>
Balance at March 31, 2024	<u>\$ (10,030)</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 12,315</u>
Carrying amount at March 31, 2024	<u>\$ 12,394</u> (Concluded)

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

An analysis of amortization by function is as follows:

	For the Three Months Ended March 31	
	2024	2023
Operating costs	\$ 88	\$ 89
General and administrative expenses	1,318	1,229
Research and development expenses	<u>167</u>	<u>100</u>
	<u>\$ 1,573</u>	<u>\$ 1,418</u>

15. OTHER ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Prepayments	\$ 75,555	\$ 91,609	\$ 71,824
Restricted assets (Note 31)	4,421	4,340	4,444
Others	<u>1,368</u>	<u>-</u>	<u>-</u>
	<u>\$ 81,344</u>	<u>\$ 95,949</u>	<u>\$ 76,268</u>
<u>Non-current</u>			
Refundable deposits	\$ 12,801	\$ 12,553	\$ 14,149
Prepayments	30,174	31,193	32,536
Prepayments for real estate	8,838	-	-
Others	<u>3,373</u>	<u>3,373</u>	<u>3,373</u>
	<u>\$ 55,186</u>	<u>\$ 47,119</u>	<u>\$ 50,058</u>

16. BORROWINGS

a. Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Secured borrowings (Note 31)</u>			
Bank loans	\$ 100,000	\$ -	\$ 250,000
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>100,000</u>	<u>200,000</u>	<u>144,431</u>
	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 394,431</u>

The range of weighted average effective interest rates on bank loans was 1.82%-1.99%, 1.99% and 1.69%-1.91% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

b. Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Secured borrowings</u>			
Bank loans (1)	\$ 1,111	\$ 1,778	\$ 3,778
Bank loans (2)	16,923	17,207	18,058
Bank loans (4)	500,000	500,000	617,000
Bank loans (5)	<u>-</u>	<u>-</u>	<u>53,000</u>
	<u>518,034</u>	<u>518,985</u>	<u>691,836</u>
<u>Unsecured borrowings</u>			
Bank loans (3)	32,877	36,986	49,315
Bank loans (6)	50,000	200,000	-
Bank loans (7)	223,000	223,000	-
Bank loans (8)	35,230	35,230	-
Bank loans (9)	<u>88,000</u>	<u>-</u>	<u>-</u>
	<u>429,107</u>	<u>495,216</u>	<u>49,315</u>
Less: Current portion	<u>(28,888)</u>	<u>(47,922)</u>	<u>(20,240)</u>
	<u>\$ 918,253</u>	<u>\$ 966,279</u>	<u>\$ 720,911</u>

- 1) The bank loan is secured by the Group'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 1.96%, 1.96% and 1.83% as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.
- 2) The bank loan is secured by the Group'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 2.04%, 2.04% and 1.91% as of March 31, 2024, December 31, 2023 and March 31, 2023, 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 1.586%, 1.586% and 1.454% as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.
- 4) The bank loan was secured by the Group's own land (see Note 31). The due was originally set in July

2024, but was extended to July 2030, and the loan was repaid in advance by \$18,500 thousand and \$98,500 thousand in September and December 2023, respectively, with the remaining loan will be repaid by the first installment starting from August 2026, and the principal will be repaid in 48 monthly installments over 4 years, with interest paid monthly. The effective annual interest rate is 1.94%, 1.94% and 1.81% as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

- 5) The bank loan is secured by the Group's own land (see Note 31). The due was originally set in July 2024, but was extended to July 2030, with interest paid monthly. The principal was repaid in advance in September 2023. The effective annual interest rate is 1.86% as of March 31, 2024.
- 6) The bank loan is due on June 2028, and the first installment will be repaid starting from June 2024. The principal is repaid in 49 monthly installments over 4 years, and the loan was repaid in advance by \$150,000 thousand in January 2024, with interest paid monthly. The effective annual interest rate is 1.90% and 1.95% as of March 31, 2024 and December 31, 2023, respectively.
- 7) The bank loan is due on July 2030, and the first installment will be repaid starting from September 2026. The principal is repaid in 46 monthly installments over 4 years, with interest paid monthly. The effective annual interest rate is 1.68% and 2.18% as of March 31, 2024 and December 31, 2023, respectively.
- 8) The bank loan is due on July 2030, and the first installment will be repaid starting from September 2026. The principal is repaid in 46 monthly installments over 4 years, with interest paid monthly. The effective annual interest rate is 1.68% and 2.18% as of March 31, 2024 and December 31, 2023, respectively.
- 9) The bank loan is due on July 2030, and the first installment will be repaid starting from September 2026. The principal is repaid in 46 monthly installments over 4 years, with interest paid monthly. The effective annual interest rate is 1.68% as of March 31, 2024.

17. CORPORATE BONDS PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
Second domestic unsecured convertible bonds	\$ 287,395	\$ 285,898	\$ -
Less: Current portion	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 287,395</u>	<u>\$ 285,898</u>	<u>\$ -</u>

On May 5, 2023, the Company issued unsecured convertible bonds in Taiwan for the purpose of repaying bank loans and to increase working capital, with the following circumstances:

- a. Total amount issued: NT\$300,000 thousand
- b. Par value: NT\$100 thousand each
- c. Coupon rate: 0%
- d. Effective interest rate: 2.0907%
- e. Carrying value at issuance: NT\$281,944 thousand
- f. Maturity: 2023/5/5-2026/5/5

- g. 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 (August 6, 2023) to the maturity date of May 5, 2026, 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) The starting date of the cessation of conversion for the change of par value of share is the day before the commencement date of the trading of the new shares to be exchanged.
- h. 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\$115 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 NT\$105.1.
- i. 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.
- j. Repurchase rights of the creditors: Upon the expiration of 2 years from the date of issuance (May 5, 2025), the bondholders may request the Company to redeem the bonds held by them in cash at the face value plus interest compensation (100.500625% of the face value of the bonds and 0.25% of the effective yield) by written notice to the Company in accordance with regulations governing the conversion.
- k. Redemption rights of Company: After 3 months from the issuance date (August 6, 2023) of the bonds and up to 40 days prior to the expiration of the issuance period (March 26, 2026), 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 liabilities for embedded derivative financial instruments were valued at fair value of \$210 and \$930 thousand as of March 31, 2024 and December 31, 2023. The liabilities for nonderivative financial instruments were measured at amortized cost of \$287,395 and \$285,898 thousand as of March 31, 2024 and December 31, 2023, with an effective interest rate of 2.0907% as originally recognized.

Proceeds from issuance (less transaction costs of \$2,730 thousand)	\$ 298,770
Equity component (less transaction costs allocated to the equity components of \$144 thousand)	<u>(15,756)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$2,586 thousand)	<u>\$ 283,014</u>
	(Continued)

Liability component at January 1, 2024	\$ 286,828
Interest charged at an effective interest rate of 2.0907%	1,497
Valuation gain on financial investments	<u>(720)</u>
Liability component at March 31, 2024	<u>\$ 287,605</u>
	(Concluded)

18. TRADES PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Trade payable</u>			
Operating	<u>\$ 1,037,213</u>	<u>\$ 835,314</u>	<u>\$ 1,458,788</u>

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

19. OTHER LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 269,590	\$ 318,220	\$ 228,428
Payables for dividends	188,204	-	428,590
Payables for insurance premiums and provident funds	113,564	106,199	94,902
Payables for compensation of employees	35,000	27,000	42,500
Payables for remuneration of directors	11,000	9,000	14,700
Payables for equipment and construction	180	112,007	842
Payables for business tax	33,964	-	31,271
Others	<u>78,421</u>	<u>65,415</u>	<u>98,974</u>
	<u>\$ 729,923</u>	<u>\$ 637,841</u>	<u>\$ 940,207</u>
Other liabilities			
Receipts under custody	<u>\$ 2,756</u>	<u>\$ 2,580</u>	<u>\$ 2,452</u>
<u>Non-current</u>			
Other payables			
Long-term employee benefits payable	<u>\$ 2,936</u>	<u>\$ 2,936</u>	<u>\$ 2,227</u>

20. PROVISIONS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Warranties provision	\$ 89,498	\$ 92,645	\$ 114,058
			Warranty Provision
Balance at January 1, 2023			\$ 109,014
Additions			29,036
Used			(24,258)
Effect of foreign currency exchange			266
Balance at March 31, 2023			\$ 114,058
Balance at January 1, 2024			\$ 92,645
Additions			7,110
Used			(10,944)
Effect of foreign currency exchange			687
Balance at March 31, 2024			\$ 89,498

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under contracts for the sale of goods.

21. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

The Group 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 Power Asia also contributes to the pension fund in accordance with local laws and regulations, which is a defined contribution pension plan.

22. EQUITY

a. Share capital

Ordinary shares

	March 31, 2024	December 31, 2023	March 31, 2023
Shares authorized (in thousands of share)	100,000	100,000	100,000
Shares authorized	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Shares issued and fully paid (in thousands of share)	75,282	75,282	71,432
Shares issued	\$ 752,817	\$ 752,817	\$ 714,317

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.

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 438 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.

On February 24, 2023, the board of directors resolved the proposal of capital increase by cash and issued 3,850 thousand shares of common stock with a par value of NT\$10 per share at a premium of NT\$93 per share. The proposal of capital increase by cash was based on the share exchange date of August 15, 2023, and the capital increase registration was completed on August 28, 2023.

Of the new shares issued under the above cash capital increase proposal, 578 thousand shares were reserved for employee stock options in accordance with Article 267 of the Company Act. Moreover, in accordance with IFRS 2, "Sharebased Payment", the fair value of equity instruments at the date of transferred should be measured, and recognized \$12,647 thousand of salary expenses as a capital surplus addition to the issue premium at the date of transferred.

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	\$ 1,480,755	\$ 1,480,755	\$ 1,148,558
Conversion of bonds	344,646	344,646	344,646
Treasury share transactions	9,700	9,700	9,700
<u>May only be used to offset a deficit only</u>			
Changes in percentage of ownership interests in subsidiaries (2)	3,192	3,192	3,192
<u>May not be used for any purpose</u>			
Convertible bond stock options (3)	15,756	15,756	-
	<u>\$ 1,854,049</u>	<u>\$ 1,854,049</u>	<u>\$ 1,506,096</u>

- 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) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.
- 3) Such capital surplus represents the value of stock options recognized for the issuance of convertible bonds

c. Retained earnings and dividend policy

On May 31, 2023, the shareholders' meeting resolved to amend the Articles of Incorporation to provide that the distribution of earnings or the appropriation of losses of the Company shall be made after the end of each semi-annual period.

In accordance with the distribution of earnings policy of the Company's amended Articles of Incorporation, the Company distributes earnings or makes up for losses after the end of each semi-annual period. When distributing earnings, the Company should first estimate and retain taxes, compensation of employees and remuneration of directors and supervisors, and then make compensations for losses as well as set aside legal reserve in accordance with the law. However, when the legal reserve has reached the amount of paid-in capital, it may not be appropriated. When the distribution of earnings is by cash, it shall be resolved by the board of directors; When the distribution of earnings is by issuance of new shares, it shall be resolved by the shareholders' meeting. In accordance with the Company's Articles of Incorporation before amendment, 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 are any unappropriated earnings, the board of directors shall prepare a proposal for the distribution 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 (g), "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 2023 semi-annually earnings have been approved by the Board of Directors in its meeting, respectively. The appropriations and cash dividends per share were as follows:

	Second half of 2023	First half of 2023
Resolution Date of the Board of Directors in its meeting	February 23, 2024	August 11, 2023
Legal reserve	\$ 28,926	\$ 35,854
Appropriation/reversals of special reserve	\$ (42,455)	\$ 35,598
Cash dividends	\$ 188,204	\$ 214,295
Cash dividends per share (NT\$)	\$ 2.5	\$ 3

The appropriations of earnings for 2022 were as follows:

	For the Year Ended December 31, 2022
Resolution Date of the Board of Directors in its meeting	March 21, 2023
Legal reserve	\$ 66,549
Reserve of special capital	\$ (13,538)
Cash dividends	\$ 428,590
Cash dividends per share (NT\$)	\$ 6

Due to the cash dividends of common stock for the first six months in 2023 and then capital increase by cash, the number of outstanding shares was affected. Therefore, the dividend payout ratio for ordinary shares was adjusted to NT\$2.84657628 per share.

The above cash dividends have been approved by the board of directors. The remaining distribution of earnings is pending the resolution of the shareholders' meeting scheduled for May 30, 2024.

d. Non-controlling interests

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ 42,442	\$ 45,247
Net loss	(10,232)	(96)
Other comprehensive income (loss)		
Exchange differences on translating during the year the financial statements of foreign entities	1,482	(1,326)
Issuance of ordinary shares for cash by subsidiaries	78,335	-
Balance at March 31	\$ 112,027	\$ 43,825

23. REVENUE

	For the Three Months Ended March 31	
	2024	2023
Revenue from customer contracts		
Merchandise sales revenue	<u>\$ 1,273,301</u>	<u>\$ 1,568,491</u>

a. Contract information

The Automation equipment was sold to the manufacturers in Taiwan, China, and United States on a geographical basis and sold at a fixed price under a contractual agreement.

b. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Trade receivable from unrelated parties (Note 9)	\$ 995,554	\$ 1,083,850	\$ 1,100,903	\$ 1,090,929
Trade receivable from related parties (Note 30)	<u>49,126</u>	<u>2,774</u>	<u>58,003</u>	<u>93,939</u>
	<u>\$ 1,044,680</u>	<u>\$ 1,086,624</u>	<u>\$ 1,158,906</u>	<u>\$ 1,184,868</u>
Contract assets - current				
Sale of goods	<u>\$ 720,044</u>	<u>\$ 665,279</u>	<u>\$ 599,454</u>	<u>\$ 653,588</u>
Contract liabilities - current				
Sale of goods	<u>\$ 333,644</u>	<u>\$ 485,291</u>	<u>\$ 567,142</u>	<u>\$ 731,761</u>

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to trade receivable when the corresponding invoice is billed to the client, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables can be applied to the contract assets.

	March 31, 2024	December 31, 2023	March 31, 2023
Expected credit loss rate	0.48%	0.70%	0.14%
Gross carrying amount	\$ 723,496	\$ 670,000	\$ 600,277
Allowance for impairment loss (Lifetime ECLs)	<u>(3,452)</u>	<u>(4,721)</u>	<u>(823)</u>
	<u>\$ 720,044</u>	<u>\$ 665,279</u>	<u>\$ 599,454</u>

The movements of the loss allowance of contract assets were as follows:

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ 4,721	\$ 1,012
Less: Net remeasurement of loss allowance	(1,297)	(194)
Foreign exchange gains and losses	<u>28</u>	<u>5</u>
Balance at March 31	<u>\$ 3,452</u>	<u>\$ 823</u>

c. Disaggregation of revenue

For the three months ended March 31, 2024

	Reportable Segments				
	Semiconductor Carriers - PCB Automation Equipment	Semiconductor Packaging and Testing - LCD Panel Automation Equipment	Semiconductor Wafers - Semiconductor Automation Equipment	AMHS Department - Automated Material Handling System	Total
<u>Type of goods or services</u>					
Merchandise sales revenue	<u>\$ 848,537</u>	<u>\$ 4,354</u>	<u>\$ 393,350</u>	<u>\$ 27,060</u>	<u>\$ 1,273,301</u>

For the three months ended March 31, 2023

	Reportable Segments			
	Semiconductor Carriers - PCB Automation Equipment	Semiconductor Packaging and Testing - LCD Panel Automation Equipment	Semiconductor Wafers - Semiconductor Automation Equipment	Total
<u>Type of goods or services</u>				
Merchandise sales revenue	<u>\$ 1,131,369</u>	<u>\$ 68,191</u>	<u>\$ 368,931</u>	<u>\$ 1,568,491</u>

24. NET PROFIT

a. Interest income

	For the Three Months Ended March 31	
	2024	2023
Bank deposits	<u>\$ 5,185</u>	<u>\$ 4,511</u>

b. Other income

**For the Three Months Ended
March 31**

	2024	2023
Others	<u>\$ 1,835</u>	<u>\$ 4,334</u>

c. Other gains and losses

**For the Three Months Ended
March 31**

	2024	2023
Interest in financial assets and financial liabilities		
Financial liabilities held for trading	\$ 720	\$ -
Gain (loss) on disposal of property, plant and equipment	-	397
Net gain (loss) on foreign currency exchange	14,849	(567)
Others	<u>(1,576)</u>	<u>(2,261)</u>
	<u>\$ 13,993</u>	<u>\$ 2,431</u>

d. Finance costs

**For the Three Months Ended
March 31**

	2024	2023
Interest on bank overdrafts and loans	\$ 6,961	\$ 6,752
Interest on lease liability	474	441
Interest on convertible bonds	1,497	-
Less: Amounts included in the cost of qualifying assets	<u>(2,009)</u>	<u>-</u>
	<u>\$ 6,923</u>	<u>\$ 7,193</u>

Information on capitalized interest is as follows:

**For the Three Months Ended
March 31**

	2024	2023
Capitalized interest amount	\$ 2,009	\$ -
Capitalization rate	1.83%-2.05%	-

e. Depreciation and amortization

**For the Three Months Ended
March 31**

	2024	2023
An analysis of depreciation by function		
Operating costs	\$ 7,373	\$ 9,008
Operating expenses	<u>7,683</u>	<u>7,373</u>
	<u>\$ 15,056</u>	<u>\$ 16,381</u>

(Continued)

	For the Three Months Ended March 31	
	2024	2023
An analysis of amortization by function		
Operating costs	\$ 101	\$ 256
Operating expenses	<u>6,285</u>	<u>6,076</u>
	<u>\$ 6,386</u>	<u>\$ 6,332</u>
		(Concluded)

Refer to Note 14 for information relating to the line items in which any amortization of intangible assets is included.

f. Employee benefits expense

	For the Three Months Ended March 31	
	2024	2023
Post-employment benefits (refer to Note 21)		
Defined contribution plans	\$ 8,960	\$ 7,751
Other employee benefits	<u>260,624</u>	<u>258,478</u>
Total employee benefits expense	<u>\$ 269,584</u>	<u>\$ 266,229</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 105,858	\$ 109,114
Operating expenses	<u>163,726</u>	<u>157,115</u>
	<u>\$ 269,584</u>	<u>\$ 266,229</u>

g. Employees' compensation and remuneration of directors and supervisors.

The Company accrued employees' compensation at the rates no less than 1% and no higher than 3%, respectively, of net profit before income tax excluding employees' compensation. For the three months ended March 31, 2024 and 2023, the employees' compensation were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2024	2023
Compensation of employees	4.28%	4.00%
Remuneration of directors and supervisors	1.07%	1.33%

Amount

	For the Three Months Ended March 31	
	2024	2023
Compensation of employees	<u>\$ 8,000</u>	<u>\$ 9,000</u>
Remuneration of directors and supervisors	<u>\$ 2,000</u>	<u>\$ 3,000</u>

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.

The appropriations for employees' compensation and remuneration of directors and supervisors for 2023 and 2022 having been resolved by the board of directors February 23, 2024 and February 24, 2023, respectively, were as follows:

	For the Year Ended December 31	
	2023	2022
Compensation of employees	\$ 27,000	\$ 33,500
Remuneration of directors and supervisors	9,000	11,700

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors for 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2024	2023
Foreign exchange gains	\$ 30,534	\$ 23,590
Foreign exchange losses	<u>(15,685)</u>	<u>(24,157)</u>
Net gains (losses)	<u>\$ 14,849</u>	<u>\$ (567)</u>

25. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2024	2023
Current tax		
In respect of the current year	\$ 35,557	\$ 72,619
Adjustment for prior year	(10,609)	(2,504)
Deferred tax		
In respect of the current year	<u>(1,536)</u>	<u>(33,589)</u>
Income tax expense recognized in profit or loss	<u>\$ 23,412</u>	<u>\$ 36,526</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2024	2023
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	<u>\$ 5,813</u>	<u>\$ 1,628</u>

c. Income tax assessments

The income tax returns of the Company through 2022, have been assessed by the tax authorities. All income tax returns as of 2022 of Symtek Automation China Co., Ltd. and Symtek Power Asia Co., Ltd. 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 shares were as follows:

	For the Three Months Ended March 31	
	2024	2023
Profit for the year attributable to owners of the Company	\$ 146,809	\$ 188,814
Effect of potentially dilutive ordinary shares		
Employees' compensation	<u>1,497</u>	<u>-</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 148,306</u>	<u>\$ 188,814</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Three Months Ended March 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	75,282	71,432
Effect of potentially dilutive ordinary shares		
Employees' compensation	211	287
Convertible bonds	<u>2,854</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>78,347</u>	<u>71,719</u>

The Group may settle bonuses or compensation paid to employees in shares or cash; therefore, the Group assumed that the entire amount of the bonus or compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

27. NON-CASH TRANSACTIONS

The cash dividends approved in the Company's board of directors was not yet distributed as of March 31, 2023 and 2024 (refer to Notes 19 "OTHER LIABILITIES" and 22 "EQUITY", respectively).

28. CAPITAL MANAGEMENT

In consideration of the prevailing industry dynamics and the future development as well as the changes in the external economic environment, the Group manages its working capital and dividend payments in the future, to ensure that the Group will be able to continue as a going concern while maximizing the returns to shareholders as well as other related parties through the optimization of capital structure.

The Group could make adjustments to dividends or issue new shares in order to maintain or adjust the capital structure.

29. FINANCIAL INSTRUMENTS

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

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments in the consolidated financial statements that are not measured at fair value approximate their fair values.

March 31, 2024

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	\$ 287,395	\$ 381,000	\$ -	\$ -	\$ 381,000

December 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	\$ 285,898	\$ 358,500	\$ -	\$ -	\$ 358,500

March 31, 2023: None.

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

1) Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares	\$ 123,857	\$ -	\$ -	\$ 123,857
Unlisted shares	<u>-</u>	<u>-</u>	<u>39,700</u>	<u>39,700</u>
	<u>\$ 123,857</u>	<u>\$ -</u>	<u>\$ 39,700</u>	<u>\$ 163,557</u>

Financial liabilities at FVTPL

Derivatives	<u>\$ -</u>	<u>\$ 210</u>	<u>\$ -</u>	<u>\$ 210</u>
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December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares	\$ 129,390	\$ -	\$ -	\$ 129,390
Unlisted shares	<u>-</u>	<u>-</u>	<u>39,700</u>	<u>39,700</u>
	<u>\$ 129,390</u>	<u>\$ -</u>	<u>\$ 39,700</u>	<u>\$ 169,090</u>

Financial liabilities at FVTPL

Derivatives	<u>\$ -</u>	<u>\$ 930</u>	<u>\$ -</u>	<u>\$ 930</u>
-------------	-------------	---------------	-------------	---------------

March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares	\$ -	\$ -	\$ 115,100	\$ 115,100
Unlisted shares	<u>-</u>	<u>-</u>	<u>8,270</u>	<u>8,270</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,370</u>	<u>\$ 123,370</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

For the three months ended March 31, 2024

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2024	\$ 39,700
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	-
Balance at March 31, 2024	<u>\$ 39,700</u>

For the three months ended March 31, 2023

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	\$ 120,443
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	<u>2,927</u>
Balance at March 31, 2023	<u>\$ 123,370</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Derivatives - selling-/ buying-back of 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 assumptions used in Level 3 fair value measurement

The fair values of convertible preferred stocks, convertible bonds, mutual funds and non-publicly traded equity investments (excluding those trading on the Emerging Stock Board) are mainly determined by using the asset approach, income approach and market approach.

c. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 3,412,455	\$ 3,195,388	\$ 2,991,981
Financial assets at FVTOCI			
Equity instruments	163,557	169,090	123,370
Debt instruments	6,849	39,165	29,310

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial liabilities</u>			
FVTPL			
Held for trading	\$ 210	\$ 930	\$ -
Amortized cost (2)	2,471,749	2,335,413	2,594,370 (Concluded)

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivables (including related parties), trade receivables (including related parties), other receivables, refundable deposits and restricted deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term bank loans, trade payables, bonds payable, and long-term bank loans (including current portion).

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, equity and debt investments, notes receivables (including related parties), trade receivables (including related parties), trade payables, bonds payable, and bank borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

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

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the Chinese Yen (RMB) and U.S. dollars (USD).

The following table details the Group's sensitivity to a 1% increase and decrease in NTD (the functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase (decrease) in pre-tax profit associated with the NTD weakening 1% against the relevant currency. For a 1% strengthening of the NTD assets (liabilities) against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	RMB Impact*		USD Impact*	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2024	2023	2024	2023
Profit or loss	\$ 122	\$ 2,415	\$ 5,250	\$ 5,672

* This was mainly attributable to the exposure outstanding on RMB and USD cash and cash equivalents, receivables and payables in RMB and USD, which were not hedged at the end of the reporting period.

The Group's sensitivity to the Chinese Yen (RMB) and U.S. dollars (USD) decreased during the current year mainly due to the decreased in Checking accounts demand deposits and accounts receivables in RMB and USD.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
Financial assets	\$ 887,173	\$ 621,706	\$ 484,633
Financial liabilities	287,395	285,898	4,431
Cash flow interest rate risk			
Financial liabilities	1,147,141	1,214,201	1,131,151

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's

pre-tax profit for the three months ended March 31, 2023 would have increased/decreased by \$2,868 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on floating rate bank deposits.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2022 would have increased/decreased by \$2,828 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on floating rate bank deposits.

The Group's sensitivity to interest rates has no major difference for the three months ended March 31, 2024 and 2023.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes, the Group does not actively trade these investments. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax profit for the three months ended March 31, 2024 and 2023 would have increased/decreased by \$8,178 thousand and \$6,169 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily trade receivables.

In order to minimize credit risk, management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

The Group's concentration of credit risk of 27%, 27% and 28% of total amounts of trade receivables and contract assets as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, was attributable to the Group's largest customer and the three largest customers in the property construction business segment.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents, highly liquid marketable securities, and sufficient bank borrowings deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had available unutilized short-term bank loan facilities set out to \$2,199,874 thousand, \$2,538,938 thousand and \$663,509 thousand.

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

March 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing Lease liabilities	\$ 287,937 3,265	\$ 400,670 6,370	\$ 348,606 23,525	\$ - 24,823	\$ - -
Variable interest rate liabilities	3,447	107,780	136,574	673,854	303,570
Fixed interest rate liabilities	-	-	-	300,000	-
	<u>\$ 294,649</u>	<u>\$ 514,820</u>	<u>\$ 508,705</u>	<u>\$ 998,677</u>	<u>\$ 303,570</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Variable interest rate liabilities	<u>\$ 247,801</u>	<u>\$ 673,854</u>	<u>\$ 297,708</u>	<u>\$ 5,862</u>	<u>\$ -</u>

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing Lease liabilities	\$ 273,548 3,207	\$ 324,973 6,323	\$ 236,793 24,365	\$ - 28,948	\$ - -
Variable interest rate liabilities	3,714	7,377	260,653	710,094	322,824
Fixed interest rate liabilities	-	-	-	300,000	-
	<u>\$ 280,469</u>	<u>\$ 338,673</u>	<u>\$ 521,811</u>	<u>\$ 1,039,042</u>	<u>\$ 322,824</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Variable interest rate liabilities	<u>\$ 271,744</u>	<u>\$ 710,094</u>	<u>\$ 316,648</u>	<u>\$ 5,986</u>	<u>\$ 190</u>

March 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing Lease liabilities	\$ 483,391 3,657	\$ 475,684 7,204	\$ 499,713 30,190	\$ - 22,227	\$ - -
Variable interest rate liabilities	3,361	146,712	275,065	714,203	13,687
Fixed interest rate liabilities	<u>15</u>	<u>30</u>	<u>4,565</u>	<u>-</u>	<u>-</u>
	<u>\$ 490,424</u>	<u>\$ 629,630</u>	<u>\$ 809,533</u>	<u>\$ 736,430</u>	<u>\$ 13,687</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Variable interest rate liabilities	<u>\$ 425,138</u>	<u>\$ 714,203</u>	<u>\$ 6,589</u>	<u>\$ 6,048</u>	<u>\$ 1,050</u>

e. Transfers of financial assets

Factored trade receivables that are not yet overdue at the end of the period were as follows:

March 31, 2024

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Taipei Fubon Bank	\$ 107,417	\$ 10,742	\$ -	\$ 96,675	1.9912-2.0500
O-bank	<u>11,413</u>	<u>1,141</u>	<u>-</u>	<u>10,272</u>	1.9390-2.0732
	<u>\$ 118,830</u>	<u>\$ 11,883</u>	<u>\$ -</u>	<u>\$ 106,947</u>	

December 31, 2023

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Taipei Fubon Bank	\$ 93,927	\$ 9,393	\$ -	\$ 84,534	1.987-1.991
O-bank	<u>6,164</u>	<u>616</u>	<u>-</u>	<u>5,548</u>	1.9377
	<u>\$ 100,091</u>	<u>\$ 10,009</u>	<u>\$ -</u>	<u>\$ 90,082</u>	

March 31, 2023

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Taipei Fubon Bank	\$ 351,988	\$ 35,199	\$ -	\$ 316,789	1.709-1.987
O-bank	<u>17,581</u>	<u>1,758</u>	<u>-</u>	<u>15,823</u>	1.797-1.802
	<u>\$ 369,569</u>	<u>\$ 36,957</u>	<u>\$ -</u>	<u>\$ 332,612</u>	

Pursuant to the Group's factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Group, while losses from credit risk are borne by the banks.

30. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and their relationships with the Group:

Related Party	Related Party Categories and Relationship with the Group
Protek Technology Limited	Other related parties - key management companies
Dongguan Protek Machinery Co., Ltd.	Other related parties - key management companies
Gudeng Precision Industrial Co., Ltd.	Substantial related party (as a related party from September 26, 2023)
Gudeng Inc.	Substantial related party (as a related party from September 26, 2023)
Shanghai Gudeng Trading Co., Ltd.	Substantial related party (as a related party from September 26, 2023)
Gudeng Equipment Co., LTD.	Substantial related party (as a related party from September 26, 2023)

b. Sale of good

Line Items	Related Party Categories	For the Three Months Ended March 31	
		2024	2023
Sales	Other related parties - key management companies	\$ 318	\$ 1,873
	Substantial related party	<u>48,270</u>	<u>-</u>
		<u>\$ 48,588</u>	<u>\$ 1,873</u>

The Company's sales transaction prices to related parties are based on mutual agreements, and the collection policy are 30 days and based on monthly payments in 6 to 10 installments.

c. Contract assets

Related Party Categories	March 31, 2024	December 31, 2023	March 31, 2023
Substantial related party	\$ <u>5,654</u>	\$ <u>-</u>	\$ <u>-</u>

For the three months ended March 31, 2024 and 2023, no impairment loss was recognized for contract assets from related parties.

d. Receivables from related parties

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable from related parties	<u>Other related parties</u> Dongguan Protek Machinery Co., Ltd.	\$ <u>-</u>	\$ <u>21,640</u>	\$ <u>-</u>
Trade receivables from related parties	<u>Other related parties</u> Dongguan Protek Machinery Co., Ltd.	\$ 3,788	\$ 2,195	\$ 58,003
	Other related parties - Key management companies	591	579	-
	<u>Substantial related party</u> Gudeng Equipment Co., LTD.	<u>44,747</u>	<u>-</u>	<u>-</u>
		\$ <u>49,126</u>	\$ <u>2,774</u>	\$ <u>58,003</u>

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2024 and 2023, no impairment losses were recognized for trade receivables from related parties.

e. Contract liabilities

Related Party Categories	March 31, 2024	December 31, 2023	March 31, 2023
Other related parties - Key management companies	\$ <u>3,588</u>	\$ <u>2,951</u>	\$ <u>3,585</u>

f. Other transactions with related parties

Line Items	Related Party Categories	For the Three Months Ended March 31	
		2024	2023
Selling and marketing expenses	Substantial related party	\$ <u>1,002</u>	\$ <u>-</u>

Line Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Other payables	Substantial related party	\$ <u>969</u>	\$ <u>796</u>	\$ <u>-</u>
Refundable deposits	Substantial related party	\$ <u>58</u>	\$ <u>-</u>	\$ <u>-</u>

The transaction prices are based on mutual agreement. The credit term are from the day the related party confirms the sale 120 days - parent entity.

- g. Compensation of key management personnel

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	<u>\$ 15,765</u>	<u>\$ 12,855</u>

The remuneration of directors and key executives was determined by the remuneration committee with regard to the performance of individuals and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, tariff guarantee for imported raw material or the deposits for hiring foreign workers:

	March 31, 2024	December 31, 2023	March 31, 2023
Pledged deposits (classified as other current assets)	\$ 4,421	\$ 4,340	\$ 4,444
Machinery and equipment, net	<u>1,520,601</u>	<u>1,522,205</u>	<u>1,584,232</u>
	<u>\$ 1,525,022</u>	<u>\$ 1,526,545</u>	<u>\$ 1,588,676</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and commitments of the Group as of March 31, 2024 were as follows:

- As of March 31 2024, unused letters of credit for purchases of raw materials and amounted to approximately \$71,016 thousand, respectively.
- The construction contracts the Group has entered into amounted to \$1,396,880 thousand (including tax), and as of March 31, 2024, the payment the Group had not yet paid amounted to \$963,371 thousand (including tax).

33. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In order to cope with future operational development and planning, on April 8, 2024, the board of directors of Symtek Power Asia Co., Ltd. passed the proposal of Symtek Power Automation Technology (Thailand) Co., Ltd. to purchase new land and factories in Thailand. The approximately price is THB150,000 thousand.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 10,241	32.00 (USD:NTD)	\$ 327,718
USD	6,232	7.10 (USD:RMB)	199,428
EUR	90	34.46 (EUR:NTD)	3,100
JPY	27,992	0.21 (JPY:NTD)	5,920
RMB	5,594	4.41 (RMB:NTD)	<u>24,656</u>
			<u>\$ 560,822</u>
<u>Financial liabilities</u>			
Monetary items			
USD	66	32.00 (USD:NTD)	\$ 2,111
JPY	33,207	0.21 (JPY:NTD)	7,023
EUR	30	34.46 (EUR:NTD)	1,030
RMB	2,823	4.41 (RMB:NTD)	<u>12,444</u>
			<u>\$ 22,608</u>

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 11,943	30.71 (USD:NTD)	\$ 366,699
USD	3,875	7.08 (USD:RMB)	118,975
EUR	89	33.98 (EUR:NTD)	3,019
JPY	16,213	0.22 (JPY:NTD)	3,521
RMB	8,161	4.33 (RMB:NTD)	<u>35,313</u>
			<u>\$ 527,527</u>

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 68	30.71 (USD:NTD)	\$ 2,080
EUR	385	33.98 (EUR:NTD)	13,094
JPY	19,255	0.22 (JPY:NTD)	4,182
RMB	1,775	4.33 (RMB:NTD)	<u>7,683</u>
			<u>\$ 27,039</u>
			(Concluded)

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 17,153	30.45 (USD:NTD)	\$ 522,301
USD	1,633	6.87 (USD:RMB)	49,739
EUR	26	33.15 (EUR:NTD)	850
JPY	35,399	0.23 (JPY:NTD)	8,099
RMB	59,247	4.43 (RMB:NTD)	<u>262,525</u>
			<u>\$ 843,514</u>

Financial liabilities

Monetary items			
USD	158	30.45 (USD:NTD)	\$ 4,824
JPY	39,950	0.23 (JPY:NTD)	9,141
RMB	4,756	4.43 (RMB:NTD)	<u>21,075</u>
			<u>\$ 35,040</u>

The Group is mainly exposed to the RMB and the USD. The above information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed.

For the Three Months Ended March 31				
Functional Currency	2024		2023	
	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains (Losses)	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 15,401	1 (NTD:NTD)	\$ 18
RMB	4.37 (RMB:NTD)	<u>(552)</u>	4.44 (RMB:NTD)	<u>(585)</u>
		<u>\$ 14,849</u>		<u>\$ (567)</u>

35. DISCLOSED ITEMS

a. Information about significant transactions and b. investees

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities) (Table 1)
- 4) Marketable securities acquired or disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 2)
- 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 (None)
- 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 (Note 17 and Note 29)
- 10) Intercompany relationships and significant intercompany transactions (Table 3)

b. Information on investees (Table 4)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 5)
- 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 6):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

- e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) 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
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 7)

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of resource allocation and departmental performance evaluation. Specifically, the segments that the Consolidated Company should report on are as follows:

Symtek Taiwan - Symtek Automation Asia Co., Ltd.

Symtek Oversea- Symtek China, SAL, Symtek Power Asia and Symtek Power Automation Technology (Thailand)

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Symtek Taiwan	Symtek Oversea	Adjustments and Eliminations	Total
For the three months ended <u>March 31, 2024</u>				
Revenue from external customers	\$ 748,444	\$ 524,857	\$ -	\$ 1,273,301
Inter-segment revenue	<u>3,152</u>	<u>1,332</u>	<u>(4,484)</u>	<u>-</u>
Segment revenue	<u>\$ 751,596</u>	<u>\$ 526,189</u>	<u>\$ (4,484)</u>	<u>\$ 1,273,301</u>
Interest revenue	<u>\$ 155</u>	<u>\$ 5,030</u>	<u>\$ -</u>	<u>\$ 5,185</u>
Finance costs	<u>\$ 5,633</u>	<u>\$ 1,290</u>	<u>\$ -</u>	<u>\$ 6,923</u>
Depreciation	<u>\$ 6,308</u>	<u>\$ 8,748</u>	<u>\$ -</u>	<u>\$ 15,056</u>
Amortization costs	<u>\$ 5,391</u>	<u>\$ 995</u>	<u>\$ -</u>	<u>\$ 6,386</u>
Write-down of inventories	<u>\$ 14,000</u>	<u>\$ 7,771</u>	<u>\$ -</u>	<u>\$ 21,771</u>
Reversal of impairment loss on financial assets	<u>\$ 4,290</u>	<u>\$ 4,366</u>	<u>\$ -</u>	<u>\$ 8,656</u>
Segment income	<u>\$ 128,299</u>	<u>\$ 31,690</u>	<u>\$ -</u>	<u>\$ 159,989</u>
				(Continued)

	Symtek Taiwan	Symtek Oversea	Adjustments and Eliminations	Total
For the three months ended <u>March 31, 2023</u>				
Revenue from external customers	\$ 894,710	\$ 673,781	\$ -	\$ 1,568,491
Inter-segment revenue	<u>5,076</u>	<u>1,569</u>	<u>(6,645)</u>	<u>-</u>
Segment revenue	<u>\$ 899,786</u>	<u>\$ 675,350</u>	<u>\$ (6,645)</u>	<u>\$ 1,568,491</u>
Interest revenue	<u>\$ 75</u>	<u>\$ 4,436</u>	<u>\$ -</u>	<u>\$ 4,511</u>
Finance costs	<u>\$ 6,771</u>	<u>\$ 422</u>	<u>\$ -</u>	<u>\$ 7,193</u>
Depreciation	<u>\$ 8,797</u>	<u>\$ 7,584</u>	<u>\$ -</u>	<u>\$ 16,381</u>
Amortization costs	<u>\$ 5,344</u>	<u>\$ 988</u>	<u>\$ -</u>	<u>\$ 6,332</u>
Write-down of inventories	<u>\$ 30,000</u>	<u>\$ 10,836</u>	<u>\$ -</u>	<u>\$ 40,836</u>
Reversal of impairment loss on financial assets	<u>\$ 4,980</u>	<u>\$ (12,435)</u>	<u>\$ -</u>	<u>\$ (7,455)</u>
Segment income	<u>\$ 127,286</u>	<u>\$ 97,958</u>	<u>\$ -</u>	<u>\$ 225,244</u>
				(Concluded)

Inter-segment revenue was accounted for according to (market prices).

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profit of associates, gains recognized on disposal of interests in former associates, lease income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Held Company Name	Marketable Securities Type and Name (Note)	Relationship with the Company	Financial Statement Account	Ending Balance				Note
				Shares	Carrying Value	Percentage of Ownership (%)	Fair Value	
Symtek Automation Asia Co., Ltd.	<u>Shares</u>							
	New Smart Technology Co., Ltd.	None	Financial assets at FVTOCI - non-current	515	\$ 16,995	2.34	\$ 8,870	
	Ever Radiant Inc.	None	"	560	-	6.77	-	
	SynPower Co., Ltd.	None	"	2,992	106,626	9.10	123,857	
	Great Talent Tech Co., Ltd.	None	"	100	1,000	6.25	1,000	
	TSS Holdings Limited	None	"	2,132	20,000	12.50	29,830	
	Add: Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income				<u>18,936</u>		<u>-</u>	
					<u>\$ 163,557</u>		<u>\$ 163,557</u>	

Note 1: The marketable securities listed above includes shares, bonds, beneficiary certificates, and all forms of securities listed under IFRS 9: Financial Instruments.

Note 2: Refer to Tables 4 and 5 for information on the investment of subsidiaries.

TABLE 2

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
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Symtek Automation Asia Co., Ltd.	New construction	June 15, 2023 (Note)	\$ 1,396,880	As of March 31, 2024, \$433,509 thousand was paid (include VAT)	True-Dreams Construction Co., Ltd.	-	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Self-use	None

Note: This date is the date of the board of directors’ resolution.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Total Sales or Assets (Note 3)
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Trade receivables from related parties	\$ 3,623	General terms	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Trade payables to related parties	593	General terms	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Operating cost	587	General terms	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Operating revenue	3,152	General terms	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Other receivables from related parties	11,758	General terms	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Other income	11,646	General terms	1
1	Symtek Automation China Co., Ltd.	Symtek Power Asia Co., Ltd.	3	Trade payables to related parties	3,168	General terms	-
1	Symtek Automation China Co., Ltd.	Symtek Power Asia Co., Ltd.	3	Operating cost	745	General terms	-
1	Symtek Automation China Co., Ltd.	Symtek Power Asia Co., Ltd.	3	Other income	4,035	General terms	-

Note 1: The intercompany relationships are coded as blow:

- a. “0” parent company.
- b. “1” and above coded based on the type of intercompany relationship.

Note 2: The transactions’ relationships are coded as blow:

- a. “1” represents the transactions from parent company to subsidiary.
- b. “2” represents the transactions from subsidiary to parent company.
- c. “3” represents the transactions between subsidiaries.

Note 3: For assets and liabilities, amount is shown as a percentage to consolidated total assets as of March 31, 2024, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the three months ended March 31, 2024.

Note 4: The amount was eliminated upon consolidation.

TABLE 4

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2024	December 31, 2023	Shares (In Thousands)	%	Carrying Amount			
Symtek Automation Asia Co., Ltd.	Symtek Automation Ltd.	British Virgin Islands	Investment	\$ 298,447	\$ 298,447	26,272	100	\$ 1,504,029	\$ 48,684	\$ 48,859 (Notes 1 and 2)	Subsidiary
Symtek Automation Ltd.	Symtek Automation China Co., Ltd.	China	Equipment manufacturing and sales	298,447	298,447	26,272	100	1,504,029	48,684	48,859 (Notes 1 and 2)	Sub-subsubsidiary
Symtek Automation China Co., Ltd.	Symtek Power Asia Co., Ltd.	China	Equipment manufacturing and sales	189,621	71,443	43,200	60	168,039	(25,581)	(15,349) (Note 2)	Sub-subsubsidiary
Symtek Power Asia Co., Ltd.	Symtek Power Automation Technology (Thailand) Co., Ltd.	Thailand	Equipment sales	16,828	16,828	180	100	13,582	(805)	(805) (Note 2)	Sub-subsubsidiary

Note 1: The amount of \$48,684 thousand was recognized as the net profit of the investee based on the equity in the investee, after adjusting the realized gain or loss of \$604 thousand and the unrealized gain or loss of \$(429) thousand from the downstream transactions.

Note 2: The amount was eliminated upon consolidation.

TABLE 5

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 31, 2024	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	\$ 48,684	100	\$ 48,859 (Note 3)	\$ 1,504,029	\$ 220,100	Note 7
Symtek Power Asia Co., Ltd.	Equipment manufacturing and sales	316,553 (RMB 72,000 thousand)	(3) (Note 6)	-	-	-	-	(25,581)	60	(15,349) (Note 4)	168,039	-	Note 7

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2024	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 thousand and RMB30,000 thousand)	\$ 793,440 (HK\$48,000 thousand and RMB135,137 thousand)	\$ 2,412,595

Note 1: The methods of investment are classified as below five types:

- a. Direct investment in Mainland China.
- b. Reinvestment in Mainland China through companies registered in a third region. (please specify the investment company in a third region).
- c. Other method.

Note 2: In the column of investment profit (loss) recognized for the period:

- a. If the company is in preparation status without investment profit (loss), it shall be remarked.
- b. Recognized basis of investment profit (loss) includes below three types and shall be remarked.
 - 1) Financial statements audited and certified by international accounting firms in cooperation with accounting firms of Republic of China.
 - 2) The financial statements had been audited and certified by the parent company’s certified public accountant in Taiwan.
 - 3) Other - based on the financial statements unaudited by the certified public accountants.

Note 3: Recognized basis of investment profit (loss) is at Note 2, (2) item C., which is according to investee’s financial statements reviewed by Taiwanese parent company’s accountant in the correspondent period, and the amount of \$48,684 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 \$604 thousand and the unrealized gain or loss of \$(429) thousand from the downstream transactions.

Note 4: Recognized basis of investment profit (loss) is at Note 2, (2) item C., which is according to investee’s financial statements reviewed by Taiwanese parent company’s accountant in the correspondent period, and the amount of \$15,349 thousand was recognized as the net loss of the investee based on the equity in the investee.

(Continued)

Note 5: The investment company in a third region is Symtek Automation Ltd.

Note 6: The company reinvested by sub-subsidiary Symtek Automation China Co., Ltd.

Note 7: The amount was eliminated upon consolidation.

(Concluded)

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

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
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Purchase

Investee Company	Transaction Type	Transaction Details			Purchase		Notes/Accounts Payable		Note
		Price	Payment Terms	Comparison with Normal Transactions	Amount	%	Ending Balance	%	
Symtek Automation China Co., Ltd.	-	General terms	Within 3 months after purchase	Equivalent	\$ 587	0.22	\$ 593	0.11	Note

2. Sale

Investee Company	Transaction Type	Transaction Details			Sale		Gross Profit	Unrealized Gross Profit	Notes/Accounts Receivable		Note
		Price	Payment Terms	Comparison with Normal Transactions	Amount	%			Ending Balance	%	
Symtek Automation China Co., Ltd.	-	General terms	Within 4 months after sale	Equivalent	\$ 3,152	0.42	\$ 853	\$ 429	\$ 3,623	0.69	Note

Note: The amount was eliminated upon consolidation.

TABLE 7**SCHMID AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Gudeng Precision Industrial Co., Ltd.	4,161,692	5.52

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 preferred 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 different preparation basis.

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 Market Observation Post System.