

Stock code: 6438



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

2023 Annual Report

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

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I. Letter to Shareholders

Looking back at 2023, the first half of the year benefited from the accumulated orders from the previous year. We also seized the opportunity of major customers expanding their new factories. As a result, we achieved record-breaking revenue in the first two quarters compared to the same period. The long-term strategy of investing in key industries such as semiconductors has yielded significant benefits through automation. We have also implemented strategies such as internationalization and expanded to oversea market. Despite the uncertain economic conditions in the latter half of the year, we gradually created more long-term opportunities. The following are the results of operations for 2023:

1. Business Report for 2023

(1) Business Plan Implementation Results

In 2023, the consolidated revenue is NT\$ 5,810,295 thousand, the after-tax earnings are NT\$647,468 thousand, and the after-tax basic earnings per share is NT\$ 8.89.

(2) Budget Execution

There is no financial forecast for 2023, therefore, there is no budget achievement status.

(3) Analysis of financial income and expenses and profitability

Item			2023	2022
Financial Structure	Debt to Asset Ratio (%)		48.56	53.32
	Long-term Funds to Fixed Assets Ratio (%)		270.16	272.93
Solvency	Mobility Ratio (%)		224.81	177.13
	Quick Ratio (%)		160.40	102.93
	Interest Protection Multiples		28.10	58.75
Profitability	Return on Assets (%)		8.47	9.64
	Return on Equity (%)		16.65	18.99
	Ratio to Paid-in Capital (%)	Operating Profit	102.11	118.07
		Pre-tax Net Profit	108.98	124.24
	Net Profit Margin (%)		11.14	11.56
	Earnings Per Share (NT\$)		8.89	9.41

(4) R&D Status

Unit: NT\$ 1,000

	2023	2022
R&D Expenses	340,362	344,616
Net Operating Revenue	5,810,295	5,761,799
R&D Expenses as a Percentage of Net Operating Revenue (%)	5.86	5.98

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

According to the latest forecast by the Taiwan Economic Research Institute, Taiwan's GDP growth rate for 2023 is estimated at 3.15%, an increase of 1.72 % from last year's estimate of 1.43%. This growth is primarily due to the recovery trend starting in the second half of 2023, driven by renewed demand for semiconductor investments and growth in investment demand for emerging technologies and net-zero emissions, with private investment expected to turn positive in 2024. As a result, it is expected that the deferral of customer capital expenditure will be alleviated in 2024. In terms of external competition, we're taking a leading role in products and technology among our automation peers, but we are mainly affected by market share reduction and price-cutting competition, which slightly impacts the stability of potential orders. On the regulatory front, there are no significant impacts, but efforts are already underway to actively align with the ESG-related standards of regulators, customers, and other stakeholders to ensure that we uphold our operational responsibilities towards the environment, society, and corporate governance.

3. Outline of Business Plan and Development Strategy for 2023

(1) Strategies/projects implemented in 2023:

- Organizational adjustment: The establishment of business groups (Semiconductor Business Group (SBG)/China Business Group (CBG)) and the position of group general manager. Taiwan's three BUs has been renamed to IC Substrate BU (IBU), Foundry BU (FBU), and Backend BU (BBU), focusing on strategies related to semiconductor as the core of development and leveraging resource integration for operation.
- Continuous R&D of advanced semiconductor process equipment: Following the establishment of major clients and the mass production

process of technologies below 3 nanometers, continue to invest in R&D and pass client validation tests, gradually introducing high value-added product series with a clear and actively progressing R&D blueprint.

- China market strategy: Connect with Taiwan's existing technology departments to actively capture the market of IC substrate clients and semiconductor foundry (mainly mature processes) in China.
- Establishing JDM (Joint Development Manufacturing) strategic relationships with key customers: Forming JDM with major wafer manufacturers to develop a more complete product line; establishing the Shenzhen Advanced Technology R&D Center in the Peng Ding Group building to construct the capacity for automated technology for IC substrates in China.
- Joint R&D with strategic partners on semiconductor photomask storage solutions and N2 Purge wafer storage equipment.
- Focusing on smart workshop solutions: Mainly for IC substrate customers' production lines, the Company has provided more automated material handling integration solutions, including automation of the back-end process and lights-out factory projects.
- Automation equipment and intelligent logistics systems (AMHS) technology layout: At the beginning of the year, a dedicated business unit was established to cultivate AMHS business talent and technology, with a vision of software and hardware integration, enhancing the quality of the Company's automation services.
- Internationalization strategy: In response to changes in the international industrial chain (glocalisation, China Plus One, etc.), collaborating with customers to layout overseas, with priority given to constructing supply and service systems in the USA, Japan, and Thailand.
 - ◆ USA: Joint venture with seven companies to establish TSS Holdings Limited, and investing in Gudeng Precision (USA) as the sales and service base in the US; participated in Semicon West exhibition; signed contracts with local agents in the US to establish a sales channel.
 - ◆ Japan: Participated in the Japan JPCA SHOW to develop potential customers; visited key customer's Kumamoto plant with alliance

partners; developed local sales/service agents.

- ◆ Thailand: Established a forward office and visited customers' manufacturing sites in Thailand.
 - Optimizing digital transformation: Using digital systems to manage internal technical documents and intellectual property, optimizing knowledge management.
 - Through industry-academic cooperation, continuously introduce production/R&D talents and key technologies.
 - Organizational strengthening: Clarify the organizational structure, enhance management talent, promote lean management, and team culture.
 - Promoting corporate sustainability ESG: Establishing an ESG committee and ESG office, developing cross-departmental working groups (environmental group/social group/corporate governance group), pragmatically advancing various ESG tasks, and enhancing planning for corporate governance, social participation, and energy saving and carbon reduction.
 - Introducing a succession plan across all BUs to cultivate mid-to-senior-level management capabilities.
- (2) To address the market uncertainties in 2024 and fortify the long-term development foundation of the Company with "Transformation and Legacy" at its core, it is planned to enhance strategic execution and implement the following related projects in 2024:
- Technology R&D for new products: Front and back-end EFEM equipment for IC substrates (micro-contamination prevention), semiconductor Wafer Robot, storage systems for new semiconductor carrier applications, etc.
 - Targeting the rising demand for advanced semiconductor packaging and developing corresponding technologies/products.
 - Expanding into new customer segments within the target industries: Continuously increasing the breadth and depth of product applications, such as IC substrate factories, packaging and testing factories, wafer factories, semiconductor integrated manufacturers, system factories, and local semiconductor enterprises in China.
 - Expanding into the Japanese market: Signing cooperation agreements

with Japanese agents to actively target the automation market primarily for Japanese IC substrates.

- Expanding into the Southeast Asian market: To respond to the shift of the local PCB industry cluster, planning to build a factory in Thailand to expand service capacity.
- Cultivating international talent capabilities: Offering foreign language courses for employees, etc.
- Strengthening marketing and promotion to customers: Providing free demonstrations at customer plants; deepening and maintaining customer relationships.
- To secure orders from international major manufacturers, begin the process of obtaining important international certifications, such as information security certification (ISO27001), Business Continuity Plan (BCP) certification, and carbon inventory certification (ISO14064-1).
- Planning to apply AI technology in the workflow, initially using large AI language models to assist engineers with coding and other tasks, improving the efficiency of program development and internal system operations.
- Aligning with the global ESG trend and increase efforts in related areas to establish a positive industry image.
- Prioritizing obtaining great operational performance in the core business when evaluating the possibilities of strategic investment cases.

As applications of new technologies like AI and smart vehicles continue to emerge, the long-term demand and growth trend of the semiconductor industry will undoubtedly be the main driving force behind the Company's future growth. Looking ahead, the Company will adhere to its existing strategic direction and pragmatic transformation mindset, continuing to promote related work and further business plans.

SYMTEK AUTOMATION ASIA CO., LTD.

Chairman: Kuan, Jin-Kun

President: Wang, Nien-Ching

February 23, 2024

II. Company Profile

1. Date of Incorporation

October 28, 1999

2. Company History

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

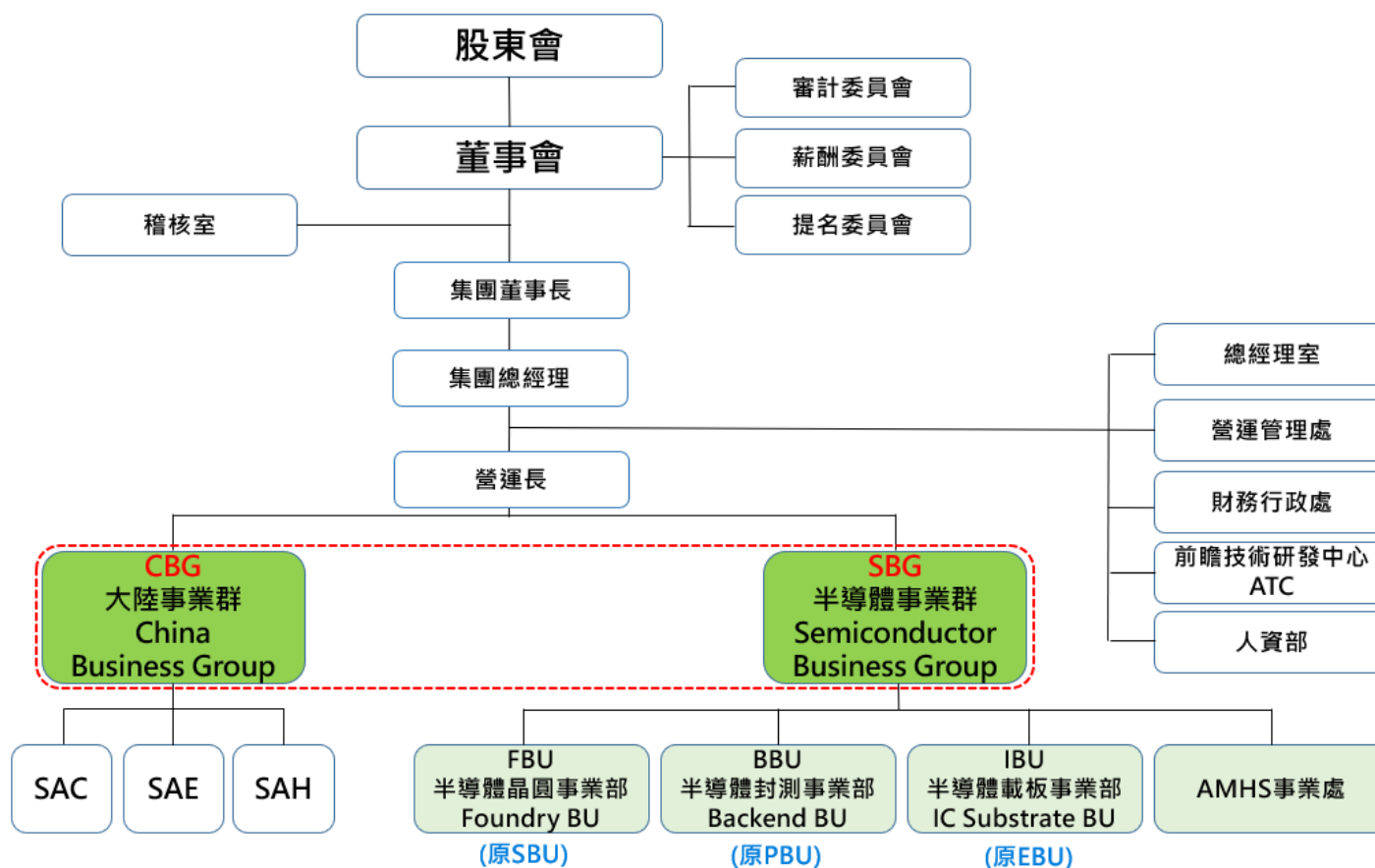
November 2013	Approved to register for trading on the Emerging Stock Exchange
June 2014	SCHMID, Germany sold all its shares (42.49%), and the name of the Company was changed to Symtek Automation Asia Co., Ltd.
July 2014	Became a qualified automation supplier of the Ministry of Economic Affairs
August 2014	Established Audit Committee
January 2015	The PV Business Unit was renamed Semiconductor B.U. Officially entered the semiconductor industry and positioned as an Industry 4.0 concept supplier
August 2015	Transferred earnings to capital of \$22,000 thousand, resulting in paid-in capital of \$462,000 thousand
July 2016	Established Intelligent Manufacturing Research and Development Center (IMR)
April 2017	Capital increased to \$528,000,000 and traded over the counter
May 2017	Started the construction of the expansion of Chungli factory and received the Taiwan Mittelstand Award by the Ministry of Economic Affairs
July 2017	With the support of Industrial Development Bureau, Ministry of Economic Affairs, we formed the "PCB Smart Manufacturing Alliance" with Advantech, Unimicron and CHIN-POON.
August 2017	Established the R&D center for precision positioning software development
February 2018	Increased capital by \$50,000,000 in cash, resulting in a paid-in capital of \$578,000,000
January 2019	The Ministry of Economic Affairs approved the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan"
April 2019	Yangmei factory officially opened
February 2020	Increased capital by \$25,000,000 in cash, resulting in a paid-in capital to \$630,000,000
December 2020	Established PCB Smart Manufacturing Ecosystem
January 2021	Listed on the stock exchange
April 2021	Resolved to enter into a share swap with SynPower Co., Ltd.
October 2021	The board of directors approved the purchase of 4,000 pings of land in the new section of Chungli to expand the semiconductor base
February 2022	Establishment of Jiangsu Xunlianke High-Tech Co.
June 2022	Increased capital to \$714,000,000
August 2022	Establishment of the Nomination Committee

October 2022	The construction project in Zhongli Xinsheng section officially launched - Groundbreaking ceremony successfully completed
June 2023	Establishment of the Shenzhen Advanced Technology R&D Center with Zhen Ding Tech. Group
July 2023	Establishment of the Thailand branch, expanding to the PCB market in the Southeast Asia
August 2023	Increased capital to \$752,000,000
August 2023	Establishment of the TSS Holdings Limited with joint ventures, serving as the mean to advance the internationalization strategy of semiconductors

III. Corporate Governance Report

1. Organization

(1) Organizational Structure



Note: The restructuring of the Company was approved by the Board of Directors on February 24, 2023.

(2) Major Corporate Functions

Department	Responsibilities
Compensation Committee	<ol style="list-style-type: none"> 1. To establish and regularly review the policies, systems, standards and structures for annual and long-term performance goals and compensation for directors and managers. 2. To periodically evaluate the achievement of the Company's directors' and managers' performance goals and to determine the content and amount of their individual compensation.
Audit Committee	<ol style="list-style-type: none"> 1. Fair presentation of the Company's financial statements. 2. The selection, independence and performance of the CPAs. 3. Effective implementation of the Company's internal controls. 4. The Company's compliance with relevant laws and regulations. 5. Control of the Company's existing or potential risks.
Nomination Committee	<ol style="list-style-type: none"> 1. Develop standards for the diverse backgrounds and independence of board members and senior executives, and use them to search, review, and nominate candidates for directors and senior executives. 2. Establish and develop the organizational structure of the board of directors and its committees, conduct performance evaluations of the board, committees, directors, and senior executives, and assess the independence of independent directors. 3. Establish and regularly review director training programs and succession plans for directors and senior executives. 4. Establish corporate governance practices and guidelines for the company.
Audit Office	<ol style="list-style-type: none"> 1. Assist departments in adjusting and correcting deviations in the implementation of regulations and system. 2. Establish systematic and institutionalized methods to assess and audit the risks and deficiencies in various operational activities of the company. 3. Conduct regular and ad hoc audit activities to confirm the performance of operational cycles and the progress of improvements. 4. Conduct internal control inspections and audits assigned by superiors.
General Manager's Office	<ol style="list-style-type: none"> 1. Responsible for planning the company's long-term and short-term business strategies. 2. Responsible for corporate governance and board affairs. 3. Periodically or irregularly evaluate the operational performance of various units based on the company's internal management regulations. 4. Ensure the security of company assets and the effective promotion of business operations. 5. Implement CSR projects.

Department	Responsibilities
Operations Management Department	<ol style="list-style-type: none"> 1. Fixed asset management. 2. Procurement management. 3. Warehouse management. 4. Information system management. 5. Production scheduling (production center).
Finance and Administration Department	<ol style="list-style-type: none"> 1. Financial planning, funds scheduling and control, and asset and risk management. 2. Equity operations and treasury. 3. Accounting, tax operations and management, and cost analysis and management. 4. Budgeting and customer credit management.
HR Department	<ol style="list-style-type: none"> 1. Human resources planning, development, and education training. 2. Personnel promotion management, welfare system formulation, and attendance management
Advanced Technologies R&D Center	<ol style="list-style-type: none"> 1. Primary responsible for the Group's transformation layout, innovating products, core technologies, R&D objectives, benefits, and budget planning. 2. Collaborate with business units to execute JDM projects for smart manufacturing and semiconductor AMHS new product technologies. 3. Lead the evaluation of advanced technology solutions and industry-academic-research cooperation. 4. Quantify patent layout indicators and refine the Group's patent layout. 5. Collect, analyze, and share industry trend information and discussions. 6. Assist in the promotion and disclosure of business-related public information. 7. Write annual research and development achievements and special research and development income and expenses. 8. Draft the comprehensive business of annual plans.
China Business Group SAC	<p>Coordinate the production management, research and development, and manufacturing of overseas factories.</p> <p>Responsible for local sales market development, customer communication and after-sales service.</p>
IBU (EBU) IC Substrate BU (IBU)	<p>Responsible for the business related to IC substrate manufacturing and PCB manufacturing industries:</p> <ol style="list-style-type: none"> 1. Prepare and execute annual sales plan. 2. Implement effective marketing strategies to respond to market changes in a timely manner. 3. Execution of routine sales operations such as quotations, credit line applications and accounts receivable follow-up. 4. Prepare and execute new product development and market development projects. 5. Market intelligence collection and development of new customers. 6. Cost management and control.

Department	Responsibilities
	7. Maintenance of products during the warranty period. 8. Product repair during non-warranty period. 9. Customer claims handling. 10. Customer education and training.
BBP (PBU) Backend BU (BBU)	Responsible for business related to photovoltaic industry: 1. Prepare and execute annual sales plan. 2. Implement effective marketing strategies to respond to market changes in a timely manner. 3. Execution of routine sales operations such as quotations, credit line applications and accounts receivable follow-up. 4. Prepare and execute new product development and market development projects. 5. Market intelligence collection and development of new customers. 6. Cost management and control. 7. Maintenance of products during the warranty period. 8. Product repair during non-warranty period. 9. Customer claims handling. 10. Customer education and training.
FBU (SBU) Foundry BU (FBU)	For semiconductor and energy related activities: 1. Prepare and execute annual sales plan. 2. Implement effective marketing strategies to respond to market changes in a timely manner. 3. Execution of routine sales operations such as quotations, credit line applications and accounts receivable follow-up. 4. Prepare and execute new product development and market development projects. 5. Market intelligence collection and development of new customers. 6. Cost management and control. 7. Maintenance of products during the warranty period. 8. Product repair during non-warranty period. 9. Customer claims handling. 10. Customer education and training.
AMHS Automation Equipment and Intelligent Logistics System	Responsible for core business related to AMHS: 1. Prepare and execute annual sales plan. 2. Implement effective marketing strategies to respond to market changes in a timely manner. 3. Execution of routine sales operations such as quotations, credit line applications and accounts receivable follow-up. 4. Prepare and execute new product development and market development projects. 5. Market intelligence collection and development of new customers. 6. Cost management and control. 7. Maintenance of products during the warranty period.

Department	Responsibilities
	8. Product repair during non-warranty period. 9. Customer claims handling. 10. Customer education and training.

2. Directors, Supervisors and Management Team

(1) Directors and Supervisors

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

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

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Elected (Appointed) Date	Term of office (years)	Date of first election (Note 3)	Shares held at the time of election		Current shareholding		Current shareholding by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 4)	Current position(s) in the Company and other companies	Other officers and directors who are spouses or relatives within the second degree of kinship			Remarks (Note 5)
							Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)			Title	Name	Relation	
Chairman	R.O.C.	KUAN, JIN-KUN	Male 75-80 years old	2022.05.27	3 years	2014.08. 13	-	-	0	0.00	-	-	-	-	National Taiwan University, Bachelor of Chemical Engineering	Symtek Automation Asia Co., Ltd. Chairman	Director	KUAN, TIEN-YU	Father- son	
Director	Hong Kong	Royal Max Holdings Limited	—	2022.05.27	3 years	2014.08. 13	4,161,270	5.83	2,800,000	3.72	-	-	-	-	The Chinese University of Hong Kong, EMBA	Director and President of PROTEK TECHNOLOGY LIMITED President of Dongguan Protek Machinery Limited President of Guangzhou Weibang Technology Co., Ltd. Supervisor of Protek Technology (Shenzhen), Ltd. Director of SYMTEK AUTOMATION ASIA CO., LTD.	Chair- man	KUAN, JIN-KUN	Father- son	
	Canada	Representative : KUAN, TIEN-YU	Male 41-45 years old				-	-	-	-	-	-	-	-						
Director	R.O.C.	Gudeng Precision Industrial Co., LTD.	—	2022.05.27	3 years	2022.05. 27	4,000,000	5.60	4,161,692	5.53			1,549,713	2.06	National Chengchi University, PhD in Information Management Peking University, Guanghua School of Management, EMBA Master's Degree National Taipei University, EMBA Master's Degree AIZEE ENTERPRISE CO., LTD., Team Leader ZING CHUAN INDUSTRY CO., LTD., Engineer	Chairman of Gudeng Precision Industrial Co., LTD. Chairman of Gudeng Equipment Co., LTD. Chairman of WE SOLUTIONS TECHNOLOGY CO., LTD Chairman of Gudeng Construction Co., LTD. Chairman of Hengyang Green Energy Corporation Director of Gudeng Venture Capital Chairman of Furui Sheng Enterprise Corporation Chairman of BOR SHENG INDUSTRIAL CO., LTD. Director of SHUO TING PRECISION IND. CO., LTD. Director of i Analyzer Incorporation Director of SYMTEK AUTOMATION ASIA CO., LTD.	-	-	-	
	R.O.C.	CHIU, MING- QIEN (Note 6)	Male 51-55 years old																	

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Elected (Appointed) Date	Term of office (years)	Date of first election (Note 3)	Shares held at the time of election		Current shareholding		Current shareholding by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 4)	Current position(s) in the Company and other companies	Other officers and directors who are spouses or relatives within the second degree of kinship			Remarks (Note 5)
							Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)			Title	Name	Relation	
															Representative of Shanghai Gudeng Trading Co., Ltd. Executive Director of SUZHOU KUNJU TRADING CO., LTD Representative of Gudeng INC Representative of Gudeng Investment Co., Ltd. Chairman of Partner one Limited TSS HOLDINGS LIMITED Supervisor					
Director	R.O.C.	WANG, NIEN- CHING	Male 56-60 years old	2022.05.27	3 years	2013.10. 25	1,052,691	1.47	1,260,244	1.47	6,890	0.01	-	-	Longhua Vocational College, Electrical Engineering Department National Chengchi University, College of Commerce, Master's Degree Private Yuan Ze University, Graduate Institute of Management, Master's Degree President of Shinbei Enterprise Co., Ltd.	Vice Chairman and President of SYMTEK AUTOMATION ASIA CO., LTD. Chairman of SYMTEK (Dongguan) Co., Ltd. Director of LINKCOM MANUFACTURING CO., LTD.				
Director	R.O.C.	QU, RON- FU	Male 61-65 years old	2022.05.27	3 years	2017.05. 29	105,000	0.15	109,244	0.15	-	-	-	-	City University of Seattle, Master of Business Administration	Chairman of Maxtronic Technology Co., Ltd. Director of SYMTEK AUTOMATION ASIA CO., LTD.				
Director	R.O.C.	TAN, MING-CHU	Female 61-65 years old	2022.05.27	3 years	2022.05. 27	-	-	-	-	-	-	-	-	National Chengchi University, Entrepreneurship Program Dominican University, Master of Business Administration 109th class of NTU-Fudan EMBA Overseas Program (currently studying)	Chairman and President of LINKCOM Executive Director of New Taipei City Industrial Association Director of Global Brands Management Association Director of Digital Governance Association Director of SYMTEK AUTOMATION ASIA CO., LTD.	-	-	-	

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Elected (Appointed) Date	Term of office (years)	Date of first election (Note 3)	Shares held at the time of election		Current shareholding		Current shareholding by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 4)	Current position(s) in the Company and other companies	Other officers and directors who are spouses or relatives within the second degree of kinship			Remarks (Note 5)
							Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)			Title	Name	Relation	
Independent Director	R.O.C.	HE, JIAN- DE	Male 61-65 years old	2022.05.27	3 years	2019.05. 29	-	-	-	-	-	-	-	-	Portland State University of the United States, Doctor of Technology Management 1. Industrial Experience: Applied Materials Taiwan Molex Taiwan National Measurement Laboratory, Industrial Technology Research Institute 2. Advisory Services: Consultant at Sintrones Technology Corp. National Science Council, Seed Teacher of the Seed Program Ministry of Science and Technology, Academic Camp - Industry-Academia Collaboration Field Teacher	Professor of the Management School at Yuan Ze University Representative Director of BMC Venture Capital Investment Corporation Independent Director of SYMTEK AUTOMATION ASIA CO., LTD.	-	-	-	
Independent Director	R.O.C.	JIAN, RONG- KUN	Male 61-65 years old	2022.05.27	3 years	2019.05. 29	-	-	-	-	5,162	0.01	-	-	National Chengchi University, Master of Business Administration Nanya Vocational College, Chemical Engineering SYMTEK AUTOMATION ASIA CO., LTD., Independent Director	Chairman of EISO Enterprise Co., Ltd. Independent Director of Ledlink Optics, Inc. Chairman of EISUN Enterprise Co., Ltd Chairman of Yicheng Construction Co., Ltd. Independent Director of SYMTEK AUTOMATION ASIA CO., LTD. Juristic person Director of 500net Technology Co., Ltd. Representative Representative Director of PORClean Nano-Biochem Co., Ltd.	-	-	-	
Independent Director	R.O.C.	LIU, ZHI- HONG	Male 51-55 years old	2022.05.27	3 years	2019.05. 29	-	-	-	-	-	-	-	-	Waseda University, International Division, Japan Boston University of the United States, Master of Actuarial Science National Taiwan University, Master of Accounting National Chengchi University, Bachelor's Degree in Accounting Certified Public Accountant	Chairman of ThinFlex Corporation Independent Director of Poya International Co., Ltd. Independent Director of Sunny Pharmtech Inc. Chairman of CHIEN HSING INFORMATION CORP. Chairman of Jianlian Investment Co., Ltd. Director of Shunlai Enterprise Management Consulting Co., Ltd.	-	-	-	

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Elected (Appointed) Date	Term of office (years)	Date of first election (Note 3)	Shares held at the time of election		Current shareholding		Current shareholding by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 4)	Current position(s) in the Company and other companies	Other officers and directors who are spouses or relatives within the second degree of kinship			Remarks (Note 5)
							Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)			Title	Name	Relation	
																Independent Director of SYMTEK AUTOMATION ASIA CO., LTD. Accountant at Changxing United Certified Public Accountants Firm Director of Changchun Business Travel Co., Ltd. Chairman of Changchun Enterprise Management Co., Ltd. Director of Chunsheng Medical Co., Ltd. Chairman of Victoria Investment Co., Ltd. Supervisor of Shuoren Lixin Corporation				

Note 1: Legal shareholders should list the name of the legal shareholder and the representative separately (if the representative is a legal entity, the name of the legal shareholder should be indicated), and fill in the table below.

Note 2: Please provide the actual age, and it can be expressed in ranges, such as 41-50 years old or 51-60 years old.

Note 3: Fill in the time of first appointment as a director or supervisor of the company, and if there is any interruption, please provide a note of explanation.

Note 4: Provide relevant experience related to the current position, such as previous employment in a certified public accountant firm or related companies during the mentioned period, and specify the job title and responsibilities.

Note 5: If the Chairman of the Board and the General Manager or an equivalent position (highest executive) are the same person, spouse, or first-degree relatives, the reasons, justification, necessity, and corresponding measures should be explained (such as increasing the number of independent directors, and ensuring that more than half of the directors do not hold positions as employees or managers, etc.) with relevant information.

Note 6: Representative of Legal Person Director Chiu, Ming-Qien of Gudeng Precision Industry Co., Ltd. resigned from the position of director on April 7, 2019, and was reappointed as a director on May 27, 2022, during the director election.

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

3. Information of the institutional shareholders

1) Major shareholders of the institutional shareholders

Name of Institutional Shareholder Note 1	Major Shareholder(s) Note 2
Royal Max Holdings Limited	KUAN, TIEN-YU (60%) KUAN, HUI-SHAN (20%) KUAN, HUI-CHEN (20%)
Gudeng Precision Industrial Co., LTD.	ZHUANG, MING-LANG(8.65%). CHIU, MING-QIEN(7.11%). LIN, TIAN-RUI(6.66%). LUO, CAI-FANG(3.72%). SHENGJIE INVESTMENT CO., LTD.(3.32%). Yunsheng Investment Co., Ltd.(3.72%). New Labor Pension Fund (1.86%). PAN, SU-CHUN(1.76%). Citibank Custodial Norwegian Central Bank Investment Special Account (2.38%). Yuan Rong Investment Co., Ltd.(1.48%)

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

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

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

2) Major shareholders of the Company's major institutional shareholders: :

Legal person (Note 1)	Major Shareholder(s) (Note 2)
SHENGJIE INVESTMENT CO., LTD.	LIN, TIAN-RUI(49.9%), PAN, SU-CHUN(45.7%)
Yunsheng Investment Co., Ltd.	CHIU, MING-QIEN(52%). LUO, CAI-FANG(48%)
Yuan Rong Investment Co., Ltd.	ZHUANG, MING-LANG(87.36%). ZHENG, YU-HUI (11.11%)

4. Information of the directors

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

Name Criteria	Professional qualifications and experience (Note 1)	Independence status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
KUAN, JIN-KUN	Mr. Kuan, Jin-Kun holds a Bachelor's degree in Chemical Engineering from National Taiwan University. Since the establishment of the Company, he has served as Chairman, leading the management team to achieve remarkable results. The Company successfully went public in 2021.	(1) Is a relative within the second degree of consanguinity of the top ten major shareholders of the Company. (2) Not a director (board member), or employee of another company or institution where the chairman, president, or equivalent position is the same person or spouse as that of the Company. (3) The rest are verified in compliance with the independence requirements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission. It still meets the relevant independence requirements. (4) With no violations stipulated in Article 30 of the Company Act.	0

<div>Criteria</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
WANG, NIEN-CHING	<p>Mr. Wang, Nien-Ching holds a Master's degree in Business Administration from the National Chengchi University's College of Commerce. Since the establishment of the Company, he has served as the President, leading the management team to successfully develop the automation markets in various industries such as semiconductors, optoelectronics, printed circuit boards, among others. He currently also serves as the Vice Chairman of the Company.</p>	<p>(1) He currently also serves as the General Manager of the Company, thus being a part of the management.</p> <p>(2) He currently also serves as the Chairman of an affiliated enterprise of the Company (a wholly-owned sub-subsidiary), which the company is the top ten major shareholders of the Company.</p> <p>(3) Not a director (board member), or employee of another company or institution where the chairman, president, or equivalent position is the same person or spouse as that of the Company.</p> <p>(4) The rest are verified in compliance with the independence requirements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission. It still meets the relevant independence requirements.</p> <p>(5) With no violations stipulated in Article 30 of the Company Act.</p>	0

<div>Criteria</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Royal Max Holdings Limited Rep: KUAN, TIEN-YU	Mr. KUAN, TIEN-YU holds an EMBA degree from the Chinese University of Hong Kong. He serves as the General Manager and Director of Protek Technology Limited, General Manager of Dongguan Protek Machinery Limited, General Manager of Guangzhou Weibang Technology Co., Ltd., and Supervisor of Protek Technology (Shenzhen) Limited. He is the only foreign director of the Company, providing a global market perspective.	(1) He is within the second degree of consanguinity to the Chairman. (2) The rest are verified in compliance with the independence requirements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission. It still meets the relevant independence requirements. (3) With no violations stipulated in Article 30 of the Company Act.	0
Gudeng Precision Industrial Co., Ltd. Rep: CHIU, MING-QIEN	Mr. Chiu, Ming-Qien holds a doctoral degree from the Information Management Department of the National Chengchi University. He founded Gudeng Precision Industrial Co., LTD. and has served as Chairman for over 25 years. In addition to the automotive industry, he has successfully branched into the tech industry, leading Gudeng Precision Industrial Co., LTD. to become an important supplier in the semiconductor industry, and has built a local semiconductor supply chain.	(1) Serves as the Chairman of Gudeng Precision Industry Co., Ltd., a legal entity shareholder holding more than 5% of the issued shares of the Company. (2) The rest are verified in compliance with the independence requirements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission. It still meets the relevant independence requirements. (3) With no violations stipulated in Article 30 of the Company Act.	0

<div>Criteria</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
QU, RON-FU	Mr. Qu, Ron-Fu holds a Master's degree in Business Administration from West Coast University in the United States. He founded Maxtronic Technology Co., Ltd. and has served as the Chairman for more than 25 years. His expertise lies in asset management, investment, and marketing.	(1) Serve as the individual director. (2) The rest are verified in compliance with the independence requirements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission. It still meets the relevant independence requirements. (3) With no violations stipulated in Article 30 of the Company Act.	0
TAN, MING-CHU	Ms. Tan, Ming-Chu holds a Master's degree in Business Administration from Dominican University in the United States and is the founder of Linkcom Manufacturing Co., Ltd. She has served as the Chairman for over 35 years. The main business is magnetic components and smart control module solutions. Linkcom Manufacturing Co., Ltd. is among the few leading manufacturers of magnetic components that can supply both communication and power products.	(1) Serve as the individual director. (2) The rest are verified in compliance with the independence requirements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission. It still meets the relevant independence requirements. (3) With no violations stipulated in Article 30 of the Company Act.	0

<div>Criteria</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
JIAN, RONG-KUN Nomination Committee Compensation Committee Audit Committee	<p>Mr. Jian, Ron-Kun holds a Master's degree in Business Administration from the National Chengchi University. He founded EISO Enterprise Co., Ltd., and has served as the Chairman for over 20 years. Under his leadership, EISO Enterprise successfully transitioned from the PCB industry to the field of electric bicycles. Currently, he also serves as the independent director of Ledlink Optics, Inc., Chairman of EISUN Enterprise Co., Ltd., Chairman of Yicheng Construction Co., Ltd., representative of legal person director of 500net Tech., and representative of legal person director of of PORClean Nano-Biochem Co., Ltd.</p> <p>Currently serving as an independent director in his second term, he has not exceeded three terms, and there has been no violations stipulated in Article 30 of the Company Act.</p>	<p>According to the Company's Articles of Incorporation and "Corporate Governance Best Practice Principles," the election of directors in the Company follows a candidate nomination system. In the comprehensive election of the ninth board of directors held on May 27, 2022, all three independent directors were reelected.</p> <p>In accordance with:</p> <ol style="list-style-type: none"> 1. Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies 2. Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange 3. Checklist of qualifications for independent directors (during their term of office). 4. The power to fully participate in decision-making and express opinions has been granted in accordance with Article 14- 	1
LIU, ZHI-HONG Nomination Committee Compensation Committee Audit Committee	<p>Mr. Liu, Zhi-Hong holds a master's degree in accounting from National Taiwan University and a CPA license, and has over 20 years of experience in accounting firms. He currently serves concurrently as an independent director of Poya International Co., Ltd., and Sunny Pharmtech Inc. Furthermore, since 2021, he has served as the new Chairman of ThinFlex Corporation.</p> <p>Currently serving as an independent director in his second term, he has not exceeded three terms, and there has been no violation of Article 30 of the Company Act.</p>	<p>According to the Company's Articles of Incorporation and "Corporate Governance Best Practice Principles," the election of directors in the Company follows a candidate nomination system. In the comprehensive election of the ninth board of directors held on May 27, 2022, all three independent directors were reelected.</p> <p>In accordance with:</p> <ol style="list-style-type: none"> 1. Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies 2. Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange 3. Checklist of qualifications for independent directors (during their term of office). 4. The power to fully participate in decision-making and express opinions has been granted in accordance with Article 14- 	2

Criteria Name	Professional qualifications and experience (Note 1)	Independence status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
HE, JIAN-DE Nomination Committee Compensation Committee Audit Committee	Mr. He, Jian-De holds a PhD in Technology Management from Portland State University and has been teaching at Yuan Ze University for over 10 years. He is currently serving as a professor and dean of the College of Management at Yuan Ze University. The research areas he specialized in include strategic technology management, competitive strategies for high-tech industries, and innovation management. Currently serving as representative of legal person director, BMC Venture Capital Investment Corporation. Currently serving as an independent director in his second term, he has not exceeded three terms, and there has been no violation of Article 30 of the Company Act.	3 and Article 14-5 of the Securities and Exchange Act, which is used to independently execute related powers. Review of Qualification Results: All of the Company's independent directors have no significant relationships that affect their independence. All independent directors should be able to appropriately and objectively execute their duties with the best interests of the Company as the premise.	0

2) Board Diversity and Independence:

① Board diversity:

The Company's board of directors consists of nine members, including one female director and three independent directors. The directors possess extensive operational experience and management expertise in listed and OTC companies, or have professional academic backgrounds.

The specific management goals and achievements of diversity are as follows:

Diversity goals: Adding female directors, semiconductor industry directors, and ESG professional directors.

Goal achievement: The company's board of directors was fully re-elected on May 27, 2022, achieving the following goals:

- (1) Adding one female director: Director TAN, MING-CHU.
- (2) Adding one semiconductor industry director: Director CHIU, MING-QIEN.
- (3) Reappointing one ESG professional director: Director CHIEN, RON-KUN.

Future goals: Continuously monitor gender equality in the composition of the board of directors and strengthen directors' ESG backgrounds.

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

Name	Title	Nationality	Gender	Serve as employee	Independent Director Tenure		Age Range			Industry Experience				Professional Competence			
					Less than 3 years	3-9 years	Be-low 55	56 to 65	66 to 75	Semiconductor	Investment	Education	Marketing	Accounting	Risk Management	Production Management	Strategy
KUAN, JIN-KUN	Chair-man	R.O.C.	Male						V		V		V		V		V
WANG, NIEN-CHING	Director		Male	V				V		V			V			V	V
KUAN, TIEN-YU	Director	Canada	Male				V						V		V		
CHIU, MING-QIEN	Director	R.O.C.	Male				V			V			V			V	V
QU, RON-FU	Director		Male					V			V		V				V
TAN, MING-CHU	Director		Fe-male					V						V	V	V	
HE, JIAN-DE	Indepen-dent Director		Male			V		V				V			V		
JIAN, RONG-KUN	Indepen-dent Director		Male			V		V					V		V	V	
LIU, ZHI-HONG	Indepen-dent Director		Male			V	V				V			V	V		

Please refer to the company's website under Investor Services, Board of Directors, for more information on board diversity.

② Board independence:

1. Board structure:

A. The 9th board of directors of the Company consists of 9 directors, including 3 independent directors. The board as a whole possesses professional abilities in business judgment, management, crisis handling, industry knowledge, leadership decision-making, and international market observation. Among them, directors with production experience are Director Wang Nien-Ching, Director Chiu, Ming-Qien, Director Tan, Ming-Chu, independent director Jian Rong-Kun, and independent director Liu Zhi-Hong. Directors with rich investment experience are Director Kuan Jin-Kun, Director Qu Rong-Fu, and independent director Liu Zhi-Hong. Director He Jian-De is recognized for his significant contributions to education. Directors with expertise in marketing are Director Kuan Jin-Kun, Director Wang Nien-Ching, Director Chiu, Ming-Qien, Director Tan, Ming-Chu, Director

Kuan Tien-Yu, Director Qu Rong-Fu, and independent director Jian Rong-Kun. Independent director Liu Zhi-Hong possesses professional abilities in accounting and finance, as well as practical experience in practice and management.

- B. The average tenure of the board of directors of the Company is 7.2 years. Director Kuan Jin-Kun has been served for 25 years, started from 1999 to January 2014 and resumed office in August 2014. Director Wang Nien-Ching has served for 11 years. All independent directors have not served for more than 3 consecutive terms. The board members are mainly citizens of our country, except for Director Kuan Tien-Yu who is a Canadian citizen. The composition ratio is 33% for the 3 independent directors and 11% for the director who is also an employee (Director Wang Nien-Ching). 11% for the female director (Director Tan Ming-Chu). The age range of the board members is as follows: 1 directors are under 55 years old, 3 directors are between 56 and 60 years old, 4 directors are between 61 and 65 years old, and 1 director is over 70 years old.
- C. The Company also values gender equality in the composition of the board of directors. There is one female director in the 9th board of directors. We will timely adjust our policies on diversification based on the operation of the board of directors, business models, and development needs to ensure that board members possess the knowledge, skills, and qualities required to carry out their duties.

2. The Board of Directors has Independence

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

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

Among the board members, Kuan Jin-Kun and Kuan Tien-Yu are father and son, but their relationship does not affect their independence as directors of the Company. The remaining board members do not have any relatives within the second degree of kinship, and therefore, there are no situations as defined in Article 26-3, Paragraph 3, and Paragraph 4 of the Securities and Exchange Act. Furthermore, there is only one director who is also an

employee of the Company, Wang Nien-Ching, accounting less than one-third of the total number of director seats. The chairman of the board of directors, Kuan Jin-Kun, and the general manager, Wang Nien-Ching, are not related.

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

In addition, to let the investing public fully understand the operation of the board of directors of the Company, relevant information has also been disclosed in the Company's annual report, official website, or the Taiwan Stock Exchange Market Observation Post System (MOPS): (1) Attendance status of board members participating in meetings; (2) Contents of motion and resolutions of the board of directors; (3) Continuing education of the directors; (4) Changes in shareholding of directors (ratio, share transfer, pledge setting)

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

(2) Information of President, VP, Associate, and Head of Departments and Branches

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

Title (Note 1)	Nationality	Name	Gender	Date of appointment	Shareholding		Shares held by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 2)	Current position(s) in the Company and other companies	Managerial officers who are spouses or relatives within the second degree of kinship			Managerial officers obtaining employee stock options certificates	Remark (Note 3)
					Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)			Title	Name	Relation		
General Manager	R.O.C.	WANG, NIEN- CHING	Male	102.10.25	1,260,244	1.67	6,890	0.01	-	-	Longhua Vocational College, Electrical Engineering Department Master's Degree from Yuan Ze University Management Research Institute National Chengchi University, College of Commerce, Master's Degree President of SYMTEK AUTOMATION ASIA CO., LTD. President of Shinbei Enterprise Co., Ltd.	Chairman of SYMTEK (Dongguan) Co., Ltd. Director of LINKCOM MANUFACTURING CO., LTD. Director of TSS Holding Co. Director of Guden (INC.)	-	-	-	-	-
Vice President of Operations Management Department	R.O.C.	LIN, ZHAO- DE	Male	102.10.25	687,227	0.91	-	-	-	-	Taoyuan Municipal Longtan Senior High School Vice President of Management Department, SYMTEK AUTOMATION ASIA CO., LTD. Manager of Shinbei Enterprise Co., Ltd.	Director of Symtek Automation Ltd. Director of SYMTEK (Dongguan) Co., Ltd.	-	-	-	-	-
COO and President of Semiconductor (FBU) Business Division	R.O.C.	HUANG, FA-BAO	Male	102.10.25	206,325	0.27	2,000	0.00	-	-	National United Industrial Specialized Machinery Department Master's Degree from the Department of Industrial Management, Taipei University of Technology Engineer at Cheung Titanium Industry Co., Ltd. Vice President of Semiconductor (SBU) Business Division, Symtek Automation Asia Co., Ltd.	Director of SYMTEK (Dongguan) Co., Ltd.	-	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Date of appointment	Shareholding		Shares held by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 2)	Current position(s) in the Company and other companies	Managerial officers who are spouses or relatives within the second degree of kinship			Managerial officers obtaining employee stock options certificates	Remark (Note 3)
					Shares	Share-holding ratio (%)	Shares	Share-holding ratio (%)	Shares	Share-holding ratio (%)			Title	Name	Relation		
Vice President and Accounting Supervisor of Finance and Administration Department	R.O.C.	CHIU, CHING-HSIANG	Male	104.12.01	224,615	0.30	-	-	-	-	Bachelor's Degree from the University of Auckland, New Zealand, Business Department Symtek (Asia) Co., Ltd./ Symtek (China) Co., Ltd. Deputy CFO	Deputy CFO and Director of SYMTEK (Dongguan) Co., Ltd.	-	-	-	-	-
Vice President of Electronics (IBU) Business Division	R.O.C.	LIANG, ZHONG-CHENG	Male	102.10.25	832,308	1.11	1,040	0.00	-	-	Electrical Department, Southern Taiwan University of Science and Technology Vice President of Electronics (EBU) Business Division, SYMTEK AUTOMATION ASIA CO., LTD.	Director of SYMTEK (Dongguan) Co., Ltd.	-	-	-	-	-
Vice President of Optoelectronics (BBU) Business Division	R.O.C.	HUANG, PING-YAO	Male	102.10.25	896,444	1.19	-	-	-	-	Private Chien Hsin University of Science and Technology, Electrical Department Master's Degree from the School of Engineering, Chung Yuan Christian University, Optomechatronics and Information and Control Industry R&D Vice President of Optoelectronics (PBU) Business Division, SYMTEK AUTOMATION ASIA CO., LTD.	Director of SYMTEK (Dongguan) Co., Ltd.	-	-	-	-	-
President of SAC	R.O.C.	XIE, JIAN-PING	Male	102.10.25	219,417	0.29	-	-	-	-	St. Aloysius Technical School, Electrical Department Chaoyang University of Technology, Automatic Control Department Master's Degree in Communication Management, Shih Hsin University	Director and President of SYMTEK (Dongguan) Co., Ltd.					

Title (Note 1)	Nationality	Name	Gender	Date of appointment	Shareholding		Shares held by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 2)	Current position(s) in the Company and other companies	Managerial officers who are spouses or relatives within the second degree of kinship			Managerial officers obtaining employee stock options certificates	Remark (Note 3)
					Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)			Title	Name	Relation		
CTO	R.O.C.	LU, WEN-BIN	Male	107.11.8	144,648	0.19	-	-	-	-	Ph.D. in Mechanical Engineering, Private Chung Yuan Christian University Researcher at Industrial Technology Research Institute Technical Manager at Hon Hai Technology	Director of SYMTEK (Dongguan) Co., Ltd.	-	-	-	-	-
Assistant Vice President	R.O.C.	SUN, SHU- Ching	Male	102.10.25	12,526	0.02	-	-	-	-	Economics Department, Chinese Culture University Master's Degree from the Accounting Research Institute, Chung Yuan Christian University Master's Degree in Management, National Central University Accounting Supervisor at SYMTEK AUTOMATION ASIA CO., LTD. Accounting Manager at TOUCH MICRO-SYSTEM TECHNOLOGY CORP. Accounting Manager at Walsin Lihwa Corporation		-	-	-	-	-
Assistant Vice President	R.O.C.	ZHANG, CAI-HUI	Female	102.10.25	21,166	0.03	-	-	-	-	International Trade Department, National Open University Financial Supervisor at SYMTEK AUTOMATION ASIA CO., LTD. Financial Supervisor at Shinbei Enterprise Co., Ltd.	-	-	-	-	-	-
Assistant Vice President	R.O.C.	ZHANG, YONG- AN	Male	102.10.25	10,295	0.01	-	-			Mechanical Department, Tamkang University Engineer at MANZ TAIWAN LTD. Engineer at SCHMID TAIWAN LTD.	-	-	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Date of appointment	Shareholding		Shares held by spouse and minor children		Shares held in the name of others		Major industrial (academic) experience (Note 2)	Current position(s) in the Company and other companies	Managerial officers who are spouses or relatives within the second degree of kinship			Managerial officers obtaining employee stock options certificates	Remark (Note 3)
					Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)	Shares	Share- holding ratio (%)			Title	Name	Relation		
Internal Audit Supervisor	R.O.C.	ZHAO, REN- FENG	Male	110.11.09	0	0					Bachelor's Degree in Accounting, Ming Chuan University Auditor, Deputy Group Leader, Group Leader at KPMG Deputy Section Chief, Section Chief, Deputy Manager, Assistant Manager at Taiwan Secom Co., Ltd.	-	-	-	-	-	-

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

Note 2: Provide relevant experience related to the current position, such as previous employment in a certified public accountant firm or related companies during the mentioned period, and specify the job title and responsibilities.

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

(3) 2022 Compensation of Directors, Independent Directors, Supervisors, General Manager, and Deputy General Managers

1. 2022 Remuneration of Directors and Independent Directors (Aggregated disclosure with salary range by name)

Method of Disclosure

As of 2022/12/31; UNIT: thousands;%

Title	Name	Compensation of Directors								Ratio of total compensation (A+B+C+D) to net income		Relevant Compensation Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income		Compensation from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Compensation of Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
																Cash	Share Value	Cash	Share Value			
Chairman	KUAN, JIN-KUN					2,096	2,096	56	56	2,152 0.33%	2,152 0.33%									2,152 0.33%	2,152 0.33%	None
Director	Royal Max Holdings Limited					895	895	56	56	951 0.15%	951 0.15%									951 0.15%	951 0.15%	None
Director	WANG, NIEN-CHING					895	895	56	56	951 0.15%	951 0.15%	7,406	8,792			54		54		8,411 1.3%	9,797 1.51%	None
Director	QU, RON-FU					895	895	56	56	951 0.15%	951 0.15%									951 0.15%	951 0.15%	None
Director	Gudeng Precision Industrial Co., LTD.					895	895	56	56	951 0.15%	951 0.15%									951 0.15%	951 0.15%	None
	Rep: CHIU, MING-QIEN																					
Director	TAN, MING-CHU					767	767	48	48	815 0.13%	815 0.13%									815 0.13%	815 0.13%	None
Independent Director	HE, JIAN-DE	432	432			895	895	56	56	1,383 0.21%	1,383 0.21%									1,383 0.21%	1,383 0.21%	None

Independent Director	JIAN, RONG-KUN	432	432			767	767	48	48	1,247 0.19%	1,247 0.19%							1,247 0.19%	1,247 0.19%	None	
Independent Director	LIU, ZHI-HONG	432	432			895	895	56	56	1,383 0.21%	1,383 0.21%							1,383 0.21%	1,383 0.21%	None	
	Total	1,296	1,296			9,000	9,000	488	488	10,784 1.67%	10,784 1.67%	7,406	8,792			54		54	18,244 2.82%	19,630 3.03%	
<div><div>1.</div><div>Please specify the policy, system, standards, and structure for the payment of independent directors' remuneration and explain the relationship between the amount of remuneration and factors such as responsibilities, risks, and invested: Based on the overall operation of the Company and taking into account the degree of participation in the Company's operation and contribution value, as well as the achievement rate of annual performance, it is used as a reference for salary adjustment.</div></div> <div><div>2.</div><div>In addition to the disclosure in the table above, the Company's directors in the past year did not receive any remuneration for providing services to all companies in the financial report (such as serving as a consultant for non-employees of the parent company/ all companies in the financial report/ investing businesses): None.</div></div>																					

Range of Compensation

Range of Compensation	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements (H)	The Company	All companies in the consolidated financial statements (I)
Less than NT\$ 1,000,000	CHIU, MING-QIEN. TAN, MING-CHU	CHIU, MING-QIEN. TAN, MING-CHU	CHIU, MING-QIEN. TAN, MING-CHU	CHIU, MING-QIEN. TAN, MING-CHU
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	WANG, NIEN-CHING. KUAN, TIEN-YU. QU, RON-FU, JIAN, RONG-KUN, LIU, ZHI-HONG, HE, JIAN-DE	WANG, NIEN-CHING. KUAN, TIEN-YU. QU, RON-FU, JIAN, RONG-KUN, LIU, ZHI-HONG, HE, JIAN-DE	KUAN, TIEN-YU, QU, RON-FU. CHIEN, RON-KUN. LIU, CHI-HONG. HE, JIEN-DE	KUAN, TIEN-YU, QU, RON-FU. CHIEN, RON-KUN. LIU, CHI-HONG. HE, JIEN-DE
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	KUAN, JIN-KUN	KUAN, JIN-KUN	KUAN, JIN-KUN	KUAN, JIN-KUN
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	—	—	—	—
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	—	—	WANG, NIEN-CHING	WANG, NIEN-CHING
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	—	—	—	—
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	—	—	—	—
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	—	—	—	—

NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	9 persons	9 persons	9 persons	9 persons

- Note 1: The names of directors (including the names of legal person shareholders and their representatives) should be listed separately, and all amounts of remuneration should be disclosed in aggregate. If a director also serves as a general manager or deputy general manager, this form and forms (3-1) or (3-2) should be filled out.
- Note 2: Remuneration to Directors in the most recent year (include Director salary, additional duty payments, severance pay, various bonuses, or incentive payments).
- Note 3: Refers to the amount of director remuneration approved by the board of directors for the most recent fiscal year.
- Note 4: Refers to the relevant business execution expenses of directors in the most recent fiscal year (including transportation expenses, special allowances, various subsidies, dormitories, company cars, etc.). When providing assets such as housing, cars, and other transportation vehicles or exclusive personal expenses, the nature and cost of the provided assets, the actual or fair market rental value, fuel costs, and other benefits should be disclosed. If a driver is provided, please provide a note explaining the relevant compensation paid by the Company to the driver, but this is not counted as remuneration.
- Note 5: Refers to the remuneration received by directors and concurrent employees (including concurrent general managers, deputy general managers, other managers, and employees) in the most recent fiscal year, including salaries, job allowances, severance pay, various bonuses, incentives, travel expenses, special expenses, various allowances, dormitories, vehicle arrangements, and other material benefits provided, etc. When providing assets such as housing, cars, and other transportation vehicles or exclusive personal expenses, the nature and cost of the provided assets, the actual or fair market rental value, fuel costs, and other benefits should be disclosed. If a driver is provided, please provide a note explaining the relevant compensation paid by the Company to the driver, but this is not counted as remuneration. In addition, salary expenses recognized under IFRS 2 "Share-based Payments", including the acquisition of employee share certificates, restricted new shares for employees, and participation in cash increases to subscribe for shares, should also be included in remuneration.
- Note 6: Refers to directors and concurrent employees (including concurrent general managers, deputy general managers, other managers, and employees) who received employee remuneration (including stocks and cash) in the most recent fiscal year. The amount of employee remuneration approved by the board of directors in the most recent year should be disclosed, and if it cannot be estimated, the proposed amount of distribution for this year should be calculated based on the proportion of actual distribution amount compared to the previous year, and Table 1-3 should also be filled in.
- Note 7: The total amount of all companies (including the Company) that pay various remuneration to the directors of the Company should be disclosed in the consolidated report.
- Note 8: The total amount of remuneration paid by the Company to each director should be disclosed in the corresponding level of attribution, and the name of the director should be disclosed.
- Note 9: The total amount of remuneration paid by all companies (including the Company) to each director of the Company should be disclosed in the

corresponding level of attribution, and the name of the director should be disclosed.

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

Note 11: a. This column should clearly list the amount of remuneration received by company directors from invested companies outside of subsidiary companies.

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

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

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

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

3. Compensation of the General Manager and Deputy General Managers

Aggregated disclosure with salary range by name

2022; Unit: NT\$ thousands; thousand shares

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation from ventures other than subsidiaries
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
								Cash	Share Value	Cash	Share Value			
General Manager	WANG, NIEN-CHING	23,115	25,010	0	0	14,315	14,754	378	0	378	0	37,808 5.84%	40,142 6.20%	None
Deputy General Manager	LIN, ZHAO-DE													
Deputy General Manager	HUANG, PING-YAO													
Deputy General Manager	LIANG, ZHONG-CHENG													
Deputy General Manager	CHIU, CHING-HSIANG													
Deputy General Manager	HUANG, FA-BAO													
CTO	LU, WEN-BIN													

Note 1: As of the date of printing of this annual report, the list of employee compensation has not been finalized, no further information cannot be disclosed in this column. Based on the actual distribution ratio of last year, the proposed distribution amount for this year is estimated to be NT\$3,110 thousand.

Note 2: As of the date of printing of this annual report, the list of employee remuneration has not been finalized, so this calculation does not include the amount of employee compensation.

Range of Compensation

Range of Compensation	Name of Managerial Officer	
	The Company	All companies in the consolidated financial statements
Less than NT\$ 1,000,000	—	—
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	—	—
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	HUANG, PING-YAO; LU, WEN-BIN	HUANG, PING-YAO; LU, WEN-BIN
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	WANG, NIEN-CHING; LIN, ZHAO-DE; LIANG, ZHONG-CHENG; HUANG, FA-BAO; CHIU, CHING-HSIANG	WANG, NIEN-CHING; LIN, ZHAO-DE; LIANG, ZHONG-CHENG; HUANG, FA-BAO; CHIU, CHING-HSIANG
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	—	—
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	—	—
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	—	—
Over NT\$100,000,000	—	—
Total	7 persons	7 persons

4. Name of manager who distributes employee compensation and the distribution status 2022; Unit: NT\$ thousands

Managerial Officer	Title (Note 1)	Name (Note 2)	Share Value	Employee Compensation - in Cash (Note)	Total	Ratio of Total Amount to Net Income
	General Manager	WANG, NIEN-CHING	0	540	540	540 0.08%
	Deputy General Manager	LIN, ZHAO-DE				
	Deputy General Manager	HUANG, PING-YAO				
	Deputy General Manager	LIANG, ZHONG-CHENG				
	COO	HUANG, FA-BAO				
	Deputy General Manager	CHIU, CHING-HSIANG				
	CTO	LU, WEN-BIN				
	Assistant Manager	SUN, SHU-JING				
	Assistant Manager	ZHANG, CAI-HUI				
	Assistant Manager	ZHANG, YONG-AN				

Note: As at the date of printing of the annual report, the current staff remuneration list has not yet been determined and the proposed distribution for this year has been estimated based on the actual distribution ratio of last year

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

Name	The Company		All companies in the consolidated financial statements	
	2022	2023	2022	2023
Director	8.05%	7.50%	8.44%	7.87%
Management				

1. The remuneration of the directors of the Company is determined according to the Company's Articles of Incorporation. If the Company is profitable in a given year, a sum not exceeding 3% should be set aside as director remuneration, which will be distributed through the annual earnings distribution approved by the shareholders' meeting (the director's remuneration for 2023 has been approved by the Compensation Committee). The directors' annual business execution expenses and independent directors' remuneration are based on a fixed monthly amount, while transportation expenses are based on the actual number of attendances.
2. The remuneration of the General Manager and Deputy General Manager includes salary, bonuses, and employee compensation, which is determined in accordance with the Company's Articles of Incorporation. If the Company is profitable in any given year, not less than 1% shall be allocated to the said compensation (approved by the Compensation Committee in 2023), and employee compensation shall be distributed to the annual earnings distribution of the shareholders' meeting, and issued based on the performance of the year.
3. The policy for paying directors, supervisors, general managers, and deputy general managers, as well as the process for determining remuneration, is positively correlated with operational performance, and the amount of payment is disclosed in accordance with legal regulations, with limited future risk.

3. Implementation of Corporate Governance

(1) Operation of the Board of Directors

A total of 8 (A) meetings of the Board of Directors were held in 2023 and 2024. The attendance of directors was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Chairman	KUAN, JIN-KUN	8	-	100%	
Director	WANG, NIEN-CHING	8	-	100%	
Director	KUAN, TIEN-YU	8	-	100%	Royal Max Holdings Limited Institutional shareholder representative
Director	CHIU, MING-QIEN	8	-	100%	Gudeng Precision Industrial Co., Ltd. Institutional shareholder representative
Director	QU, RON-FU	8	-	100%	
Director	TAN, MING-CHU	7	1	87.5%	
Independent Director	JIAN, RONG-KUN	8	-	100%	
Independent Director	LIU, ZHI-HONG	8	-	100%	
Independent Director	HE, JIAN-DE	8	-	100%	

Other items to be recorded:

- If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response should be specified:
 - Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, which exempts it from the provisions of Article 14-3 of the Securities and Exchange Act. For more information, please refer to the "Operation of the Audit Committee" section in this annual report.
 - Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.
- If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: As shown in the following table.

Board of directors Date Term	Contents of Motion	Recusal from Conflicts of Interest	Causes for Avoidance	Condition of Voting
2023/2/24 9th Term 6th Meeting	Proposal 1: Remuneration for Directors and Compensation for Employees for 2022.	Director WANG, NIEN-CHING	Has a personal interest	Except for Director Wang Nien-Ching, who legally recused himself and did not participate in the discussion and vote, the rest of the directors in attendance agreed.
	Proposal 8: The Company's employee stock			

Board of directors Date Term	Contents of Motion	Recusal from Conflicts of Interest	Causes for Avoidance	Condition of Voting
	options to the 2023 cash capital increase case.			
2023/06/15 9th Term 9th Meeting	Proposal 2: The list of employees of employee stock options of the Company's 2023 cash capital increase case.	WANG, NIEN-CHING Director	Has a personal interest	Except for Director Wang Nien-Ching, who legally recused himself and did not participate in the discussion and vote, the rest of the directors in attendance agreed.
2023/08/11 9th Term 10th Meeting	Proposal 3: Review of the 2022 Management Performance Bonus of the Company.	WANG, NIEN-CHING Director	Has a personal interest	Except for Director Wang Nien-Ching, who legally recused himself and did not participate in the discussion and vote, the rest of the directors in attendance agreed.
2023/12/26 9th Term 12th Meeting	Proposal 3: Review of the 2022 Management Year-End Bonus of the Company.	WANG, NIEN-CHING Director	Has a personal interest	Except for Director Wang Nien-Ching, who legally recused himself and did not participate in the discussion and vote, the rest of the directors in attendance agreed.
2024/2/23 9th Term 13th Meeting	Proposal 1: Remuneration for Directors and Compensation for Employees for 2023 Proposal 8: Salary Adjustments for the Senior Managerial Officer for 2024.	WANG, NIEN-CHING Director	Has a personal interest	Except for Director Wang Nien-Ching, who legally recused himself and did not participate in the discussion and vote, the rest of the directors in attendance agreed.

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

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Content of evaluation
Once per year	January 1 to December 31, 2023	Board of directors	Self-assessment by the board of directors	Participation in company operations, quality of board decision-making, composition and structure of the board, selection and ongoing education of directors, and internal control are the five dimensions being evaluated, with a total of 45 assessment items.
		Individual board members	Self-assessment by board members	Understanding of company goals and mission, awareness of director duties, participation in company operations, management of internal relationships and communication, director expertise and continuing education, and internal control

				are the six dimensions being evaluated, with a total of 23 assessment items.
		Functional Committees 1. Nomination Committee 2. Compensation Committee 3. Audit Committee	Internal evaluation of functional committees	Level of participation in the Company's operations, understanding of the roles and responsibilities of the functional committee, improvement of the quality of committee decisions, composition of the functional committee and the selection of its members, and internal controls, etc , with a total of 26 assessment items.

- (1) On November 8, 2022, the board of directors revised and approved the "Board of Directors Performance Evaluation Methods." Please refer to the Public Information Observation System and the Company's website for details.
- (2) It is stipulated to conduct an internal board performance evaluation once a year. The internal evaluation period should be completed before the end of the first quarter of the following year. The execution unit for the internal board of directors' performance evaluation is the Secretariat. The Secretariat collects relevant information on board activities and completes the "Board of Directors' Performance Evaluation Self-Assessment Questionnaire," "Board Member Performance Evaluation Self-Assessment Questionnaire," and "Functional Committee Performance Evaluation Self-Assessment Questionnaire." The completed questionnaires are then collected by the execution unit, and based on the evaluation criteria, evaluation results are recorded and reported to the board for review and improvement. These results also serve as important references for individual director remuneration and nomination for future consideration.
- (3) The self-assessment performance evaluation questionnaire for the 2023 board of directors, board members, and members of functional committees was completed before the most recent board meeting. It was reported at the board meeting on February 23, 2024.
- (4) The overall comments for the board of directors' performance evaluation self-assessment questionnaire are as follows: "1. Board members contribute diverse perspectives, ensuring comprehensive discussion within the board meetings. 2. Clear understanding of the Company's objectives and director's responsibilities."
- (5) The overall comments for the board member performance evaluation self-assessment questionnaire are as follows: "All directors fulfill their duties through video conferences or in-person attendance. This ensures the smooth operation of the board, facilitates extensive exchange of opinions, and enhances supervisory effectiveness."
- (6) The overall comments for the functional committee performance evaluation self-assessment questionnaire are as follows: "Each functional committee is composed of

all directors. They actively contribute relevant suggestions to the Company's operations and strategic planning."

These three paper questionnaires are signed by all nine members of the board of directors for record-keeping purposes.

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

Objective of Board Function	Performance Evaluation
The degree of participation in company operations	<ol style="list-style-type: none"> 1. There were 8 board meetings held between 2023 and 2024, with an average attendance rate of over 100%. 2. The shareholder meeting was held on May 31, 2023. The ninth board of directors consisted of 9 members, 7 members attending the shareholder meeting in person, including 2 independent directors, with the attendance rate of 77.8%. The attending members were Director Kuan, Jin-kun; Director Kuan, Tien-Yu; Director Wang, Nien-Ching; Director Qu, Ron-Fu; Director Tan, Ming-Chu; Independent Director He, Jien-De; and Independent Director Chien, Ron-Kun.
Improving the quality of the board's decision-making	<ol style="list-style-type: none"> 1. The frequency of holding board meetings is appropriate. 2. The minutes of the board meetings are correct and appropriate. 3. Independent directors express their opposition or reservation with records or written statements. 4. Important decisions made by the board of directors on the day of the meeting are announced to the public through significant information release channels for investors' reference.
Composition and structure of the board	<ol style="list-style-type: none"> 1. The independent directors of the Company do not concurrently serve as independent directors for more than three other listed or OTC-listed companies. 2. Functional Committees: All members of the Compensation Committee, Audit Committee and Nomination Committee are independent directors.
Selection and continuing education of directors	<ol style="list-style-type: none"> 1. The term of the ninth Board of Directors is from May 27, 2022, to May 26, 2025. 2. Each director has fulfilled the required annual training hours (at least six hours per person). 3. An annual performance evaluation of the Board of Directors and Board members is conducted once a year, and the results are reported to the Board of Directors and reported online on time.
Internal control	<ol style="list-style-type: none"> 1. The company conducts internal reviews of the effectiveness of its internal control system design and implementation every year, and the Board of Directors has not issued any statements regarding significant deficiencies in the internal control system. 2. The Head of Internal Audit attends Board of Directors meetings and presents internal audit reports, which are submitted or notified to the Audit Committee according to regulations. 3. The appointed Head of Internal Audit obtained the following professional certifications to better assist the Board of Directors in overseeing the effectiveness of the Company's internal control operations: <ul style="list-style-type: none"> (1) Certified Internal Auditor (CIA) (2) Certification in Control Self-Assessment (CCSA) (3) TIPS Taiwan Intellectual Property Management System Self-Assessor

(2) Operation of the Audit Committee:

1. Operation of the Audit Committee:

The Auditing Department convened a total of 7 meetings (A) in the most year and 2023. The attendance of Independent Directors was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Independent Director	HE, JIAN-DE	7	-	100%	Take office for no more than three consecutive terms.
	JIAN, RONG-KUN	6	1	86%	Take office for no more than three consecutive terms.
	LIU, ZHI-HONG	7	-	100%	Take office for no more than three consecutive terms.

Other mentionable items

- In case any of the following situations occurs, the date and session of the Audit Committee meeting, the agenda, dissenting opinions of independent directors, reservations, or significant recommendations, as well as the decision results of the Audit Committee and the company's response to the opinions of the Audit Committee, should be disclosed.

- (1) Matters listed in Article 14-5 of the Securities and Exchange Act: as shown in the table below.

Audit Committee	Contents of Motion	Results of Resolutions
2023/2/24 4 th Term 4 th Meeting	Proposal 1: Approval of 2022 Annual Business Report and Financial Statements.	Passed as proposed.
	Proposal 2: Approval of 2022 Statement on Internal Control System.	
	Proposal 3: The Company proposes to implement a plan for expanding factory buildings on its own land - Xinsheng Factory.	
	Proposal 4: The Company intends to apply for a construction loan - building finance from Hua Nan Bank.	
	Proposal 5: The Company intends to increase capital by issuing new shares in cash and to issue the second domestic unsecured convertible corporate bonds.	
	Proposal 6: The Company's employee stock options to the 2023 cash capital increase case.	
	Proposal 7: Revision of certain provisions in the Company's Articles of Incorporation.	
2023/3/21 4 th Term 5 th Meeting	There are no items listed in Article 14-5 of the Securities and Exchange Act.	Passed as proposed.
2023/5/9 4 th Term 6 th Meeting	Proposal 1: Evaluation and appointment of independent auditors for the Company's compliance and suitability. Proposal 2: Approval of the Company's consolidated financial statements for the first quarter of 2023. Proposal 3: Addition of the "Pre-approval Policy for Non-assurance Services". Proposal 4: Amendments to the Company's "Schedule of Level of Approval Authority". Proposal 5: Amendments to the Company's "Risk Management Policy".	Passed as proposed.

Audit Committee	Contents of Motion	Results of Resolutions
2023/6/15 4 th Term 7 th Meeting	Proposal 1: Formulation of the issuance price of the Company's 2023 Cash Capital Increase. Proposal 2: The Employee List of 2023 Employee Stock Options for Cash Capital Increase. Proposal 3: The Company's Xinsheng Plant Construction Plan by the local contractor.	Passed as proposed .
2023/8/11 4 th Term 8 th Meeting	Proposal 1: The Company's mid-year business report and second-quarter consolidated financial statements for 2023. Proposal 2: Amendments to the Company's "Procurement and Purchase Process". Proposal 3: Amendments to the Company's "Schedule of Level of Approval Authority".	Passed as proposed .
2023/11/7 4 th Term 9 th Meeting	Proposal 1: Approval of the consolidated financial statements for the third quarter of 2023. Proposal 2: Implementation of the announcement process for the annual audit plan of 2024.	Passed as proposed .
2024/2/23 4 th Term 10 th Meeting	Proposal 1: Approval of 2023 Annual Business Report and Financial Statements. Proposal 2: Approval of 2023 Profit Distribution Plan. Proposal 3: Approval of 2023 Statement on Internal Control System. Proposal 4: Change of CPAs due to internal rotations within Deloitte & Touche. Proposal 5: Evaluation and appointment of CPAs for independence and suitability. Proposal 6: Approval of the "Pre-approval Policy for Non-assurance Services".	Passed as proposed .
Independent directors expressing opposition, or reservation opinions and having recorded or written statements: None.		
The Company's response to the opinions of Audit Committee: The Board of Directors approved and passed all the motions based on the recommendations of the Audit Committee.		

(2) Other matters not approved by the Audit Committee but approved by more than two-thirds of the total number of directors: None.

2. The implementation status of independent directors avoiding interests in relation to agenda items, should state the name of the independent director, content of the agenda, reasons for interest avoidance, and participation in voting: None.
3. Communication between independent directors and the internal audit supervisor and accountant (should include significant matters, methods, and results of communication on the company's finances and business status):

(1) Communication between independent directors and accountants:

The CPAs regularly attend meetings held by the Audit Committee and Board of Directors, communicating directly with independent directors on significant matters learned during the financial report audit process, and the financial and overall operation of subsidiaries; at least once a year, a closed-door meeting is held solely with independent directors.

(2) Communication between independent directors and internal audit:

The Company's Audit Office has full-time audit staff, directly subordinate to the Board of Directors. Their main duties are to review the Company's internal control system and report whether the design and execution of these controls are appropriate; the scope includes all operations of the company and its subsidiaries. Main tasks include:

- a) Drafting an annual audit plan, and according to the annual audit plan approved by the Board of Directors, regularly performing audit work.
- b) The audit staff provides a written audit report to independent directors each month, and regularly reports the execution status of internal audits to the Audit Committee. At least once a year, a closed-door meeting is held solely with independent directors to report.
- c) Review self-evaluations performed by various units, and based on their overall results, serve as the basis for the Board of Directors to issue an internal control statement.

Communication between Independent Directors and internal auditors and CPAs are as follows:

Audit Committee	2023 Meeting Agenda	Results of Communication	Resolution
2023/2/24	<ol style="list-style-type: none"> Explanation of Major Tables After 2022 Annual Financial Statements Audit by CPAs Key Audit Matter Identification by CPAs - the Parent Company Only and Consolidated Financial Statements Key Audit Matters Review Results Audit Quality Indicators and Explanations from CPAs Explanation of Pre-approval Policy for Non-assurance Services Recent Internal Audit Result Report 	No objection by the independent directors	
2023/5/9	<ol style="list-style-type: none"> Explanation of Major Tables After 2023 Q1 Financial Statements by CPAs Explanation of Valuation of Financial Assets Evaluated at Fair Value through Other Comprehensive Income in Q1 2022 Change in Valuation of Accounts Receivable Disclosure and Evaluation of Contractual Assets Explanation of Pre-approval Policy for Non-assurance Services Change in Inventory Valuation Explanation of the Amendments to the Company's Risk Management Policy 	Independent Director Recommendations: For accounts receivable that are overdue for more than one year and inventories that have been inactive for more than one year, please ask the relevant salespersons to respond to the status and reasons.	The Finance Department of the Company will send the relevant information to the relevant business personnel for tracking and understanding on a monthly basis, and will follow the recommendations of the Independent Directors.
2023/12/26	<ol style="list-style-type: none"> Responsibilities of the Unit in Charge CPA Team, Rotation Standards and Statement of Independence Quality Management System of Deloitte & Touche Scope of Audit and Method Scope of Group Audit Key Audit Matters Material Risks The CPAs' Non-assurance Services in 2023 IFRS Sustainability Disclosure Standards 	<p>Independent Director Recommendations:</p> <p>(1) The year-end inventory of the subsidiaries in China requires the CPAs to pay special attention to the status of inventories. (2) Accounts receivable from major customers may be discussed under special circumstances to determine the reasonableness of the collection, and reference should be made to the practices of other suppliers of the same nature. (3) For agents, commissions and overdue accounts receivable, please pay attention to them in CPAs' annual audit.</p> <p>CPAs' Response: Special attention will be given to items (1) and (3) during the year-end inventory and field audit, and will be reported at the next closed-door meeting.</p>	For (2) the Finance Department and the accountants of the Company will discuss with the relevant departments of the Company and report again.

2. Attendance of Supervisors at Board Meetings: The Company established its Audit Committee on Aug. 13, 2014, and it has no supervisor now.
3. Professional qualifications and experience of audit committee members, and annual work focus in 2022:

- (1) Professional qualifications and experience of audit committee members

The audit committee is composed of all independent directors. Mr. HE, JIEN-DE serves as the convener, Mr. CHIEN, RON-KUN and Mr. LIU, CHI-HONG serve as committee members. For their professional qualifications and experience, please refer to the "Directors and Supervisors Information" section under "Director Information."

- (2) Responsibilities of the audit committee:

The audit committee held 7 meetings in 2023. In accordance with the "Audit Committee Organization Rules" of the company, the responsibilities of the committee are as follows:

- A. Establishing or amending the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- B. Assessing the effectiveness of the internal control system.
- C. Establishing procedures for significant financial activities such as acquiring or disposing of assets, engaging in derivative transactions, providing loans to others, endorsing or guaranteeing for others in accordance with Article 36-1 of the Securities and Exchange Act.
- D. Matters involving conflicts of interest of directors themselves.
- E. Significant asset or derivative transactions.
- F. Significant loans, endorsements, or guarantees.
- G. Fundraising, issuance, or private placement of equity-type securities.
- H. Appointment, dismissal, or remuneration of the signing accountant.
- I. Appointment or dismissal of financial, accounting, or internal audit executives.
- J. Annual financial statements and semi-annual financial statements.
- K. Other significant matters stipulated by the company or competent authorities.

- (3) Review of Financial Statements

The Board of Directors submitted the 2023 annual business report, financial statements (including consolidated financial statements), and profit distribution proposal. The financial statements (including consolidated financial statements) were audited by CPAs, Mr. Chuang, Wen-Yuan and Mr. Yang, Ching-Chen from Deloitte & Touche Taiwan. The audit committee reviewed the aforementioned business report, financial statements (including consolidated financial statements), and profit distribution proposal and found no inconsistencies.

- (4) Assessment of the Effectiveness of Internal Control Systems

The audit committee evaluates the effectiveness of the company's internal control systems, the independence and suitability of the auditors, and the appointment or dismissal of financial, accounting, or internal audit executives to ensure that the company's risk management and internal control framework are effective.

As of November 9, 2021, the newly appointed audit executive has obtained professional certifications to effectively assist the Board of Directors in executing internal control operations.

(5) Evaluation of the independence and suitability of the auditing CPA

The Company annually evaluates the independence and suitability of the CPAs, and whether the CPAs have not been changed for seven consecutive years (please refer to the following table), or the appointed CPAs have been subject to disciplinary actions, or there have been any events that have jeopardized the independence of the CPAs.

It is confirmed that the auditors from KPMG Taiwan are independent and suitable, and they are not related parties of the company. They meet the evaluation criteria for independence and suitability (as explained in the notes on the Company's governance practices). Therefore, it is proposed to appoint Mr. Chuang, Wen-Yuan and Mr. Yang, Ching-Chen as the CPAs for the Company's 2023 financial statements. This recommendation was presented and approved by the Audit Committee and the Board of Directors on May 9, 2023.

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

Evaluation Items	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Y	N	Abstract Illustration	
1. Has the Company set and disclosed principles for practicing corporate governance according to the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?"	V		On October 6, 2014, the company amended the "Corporate Governance Best Practice Principles" in accordance with the "Listing and OTC Corporate Governance Best Practice Principles." The amendments were subsequently approved by the board of directors on March 8, 2022. The operational status was reported during the board of directors' meeting on May 9, 2023. Please refer to the company's website under Investor Services/Corporate Governance for more information on corporate governance policies and regulations.	No significant difference.
2. Shareholding structure & shareholders' rights 1) Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		To ensure smooth communication between the Company and its investors, the Company has established a system of spokespersons and proxies. These channels are available on the Market Observation Post System, the Company's website, as well as through designated contact telephone numbers and email addresses. These channels are dedicated to handling shareholders' suggestions, questions, and disputes.	No significant difference.
2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		A professional stock affairs agency is responsible for managing the Company's daily shareholder affairs, and dedicated personnel are responsible for handling related matters. The Company ensures compliance with legal requirements by reporting any changes in shareholdings of directors, managers, and substantial shareholders holding 10% or more of the shares on a monthly basis. In accordance with regulations, the quarterly financial reports disclose the names, amounts, and percentages of shareholders who own more than 5% of the shares.	No significant difference.

Evaluation Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
3) Does the Company establish and implemented risk control/management and firewall mechanisms between it and affiliated corporations?	V		The Company conducts all business transactions with its affiliates based on fair and reasonable pricing and payment terms. To ensure compliance with these principles, the Company has established several procedures, including the "Procedures for Transactions with Related Parties, Specific Companies, and Groups," "Procedures for the Making of Endorsements and Guarantees," and "Procedures for Loaning Funds to Others." To maintain high standards of internal governance, the Company conducts annual internal audits of its subsidiaries. These audits are submitted to the management and independent directors for review on a regular basis.	No significant difference.
4) Does the Company establish internal rules against insiders trading with undisclosed information?	V		The Company takes insider trading seriously and has established several regulations to prevent it from occurring. These regulations include the "Regulations for Prevention of Insider Trading" and "Management of Insider Information Reporting." The regulations prohibit all employees, managers, and directors of the Company, as well as anyone who has knowledge of the Company through professional or control relationships, from engaging in any conduct that may involve insider trading. These measures ensure the integrity of the Company's operations and help maintain investor confidence. Please refer to the Company's website/Investor Services/Corporate Governance/Insider Trading Prohibition for details.	No significant difference.
3. Composition and Responsibilities of the Board of Directors 1) Does the Board develop and implement a diversified policy and specific objectives of management for the composition of its members?	V		On August 12, 2022, the Company established the "Nomination Committee" and in accordance with Articles of Incorporation, adopted a "Candidate Nomination System." All director candidates will be nominated and undergo qualification review according to the regulations. After approval by the board of directors, they will be submitted for election at the shareholders' meeting.	No significant difference.

Evaluation Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
			<p>Board members should generally possess the necessary knowledge, skills, and qualifications required for their duties. The overall capabilities that they should possess include:</p> <ol style="list-style-type: none"> 1. Ability to make sound business judgments. 2. Ability to conduct accounting and financial analysis. 3. Ability to manage the business. 4. Ability to manage a crisis. 5. Industry knowledge. 6. An understanding of international markets. 7. Leadership ability. 8. Decision-making ability. 9. Risk management knowledge and ability. <p>Among the directors, more than half of the seats should not be held by spouses or relatives within the second degree of kinship. The composition of the board of directors should be adjusted based on the results of performance evaluation.</p> <p><u>Board Diversity Policy:</u></p> <p>In order to strengthen corporate governance and promote the sound development of the board of directors' composition and structure, the composition of the board of directors should consider various needs such as the company's operational structure, business development direction, and future development trends. It should also assess various dimensions of diversity, including but not limited to the following criteria:</p> <ol style="list-style-type: none"> 1. Basic conditions and values: Gender, nationality, age, and culture, etc. 2. Professional knowledge and skills: Professional background (e.g., accounting, risk management, production management, strategy, etc.) 	

Evaluation Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
			<p>Industry experience (e.g., semiconductor, investment, education, Marketing, etc</p> <p><u>The specific management goals of the board diversity policy and the current achievements are as follows:</u></p> <p>The 9th Term's board of directors consists of nine members, including one female director and three independent directors. The directors possess extensive operational experience and management expertise in listed and OTC companies, or have professional academic backgrounds. The term of the Board of Directors runs through May 26, 2025.</p> <p>The specific management goals and achievements of diversity are as follows: Diversity goals: Adding one female director, one director with specialty in the semiconductor industry, and one director with ESG specialty.</p> <p>Goal setting achieved: All goals were achieved by the Ninth Board of Directors.</p> <p>(1) Adding one female director: Director TAN, MING-CHU. (2) Adding one semiconductor industry director: Director CHIU, MING-QIEN. (3) Reappointing one ESG professional director: Director CHIEN, RON-KUN.</p> <p>Future goals: Continuously monitor gender equality in the composition of the board of directors and strengthen directors' ESG backgrounds.</p>	

Evaluation Items	Implementation Status																	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons					
	Y	N	Abstract Illustration																				
				姓名	職稱	國籍	性別	員工身分	獨立董事任期年資		年紀區間			產業經驗				專業能力					
									3年以下	3~9年	55以下	56至65	66至75	半導體	投資	教育	行銷	會計	風險管理	生產管理	策略		
				官錦堃	董事長	中華民國	男						V		V		V		V		V		
				王年清	董事		男	V					V		V			V			V	V	
				官天佑	董事	加拿大	男				V						V		V				
				邱銘乾	董事	中華民國	男				V			V			V			V	V		
				曲榮福	董事		男						V			V		V				V	
				譚明珠	董事		女						V					V	V	V			
				何建德	獨立董事		男				V		V				V			V			
				簡榮坤	獨立董事		男				V		V					V		V	V		
				劉致宏	獨立董事		男				V	V				V			V	V			
				Please refer to the company's website under Investor Services, Board of Directors, for more information on board diversity.																			
2) Does the Company voluntarily establish other functional committees in addition to the	V			In addition to the Remuneration Committee and Audit Committee, on August 12, 2022, the Company established the "Nomination Committee" and adopted a "Candidate Nomination System." All director candidates will be nominated and undergo qualification review according to the regulations. After approval																		No significant difference.	

Evaluation Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
Compensation Committee and the Audit Committee?			by the board of directors, they will be submitted for election at the shareholders' meeting.	
3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the compensation of individual directors and nominations for reelection?	V		On November 8, 2022, the board of directors revised and approved the "Board of Directors Performance Evaluation Methods." Please refer to the Public Information Observation System and the Company's website for details. The self-assessment performance evaluation questionnaire for the 2023 board of directors, board members, and members of functional committees was completed before the most recent board meeting. It was reported at the board meeting on February 23, 2024. Please refer to: "Operation of the Board of Directors" Section.	No significant difference.
4) Does the Company regularly evaluate the independence of CPAs?	V		The company conducts regular assessments of the independence of the auditing certified public accountants (CPAs) annually, carried out by the Audit Committee, and reports the evaluation results to the Board of Directors. The Company has prepared an "Audit CPA Review Evaluation Form" and obtained the "CPA Statement Auditors Independence" from the CPAs from Deloitte & Touche, confirming that both Mr. Chuang Wen-Yuan and Mr. Yang Qing-Zhen meet the Company's standards for independence and suitability, making them suitable to serve as the company's audit CPAs for the financial statements of the year 2023. This recommendation was presented and approved by the Audit Committee and the Board of Directors on May 9, 2023. Please refer to Note 1 for the evaluation criteria of CPA independence and Note 1-1 Summaries of AQIs	No significant difference.
4. Does the Company appoint a suitable number of competent personnel and a	V		On November 9, 2021, the Company established the position of Governance Supervisor, with Ms. Zhang Yuanzhen appointed to the role. Ms. Zhang has	No significant

Evaluation Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			<p>more than 3 years of experience serving as an internal audit supervisor in publicly traded companies.</p> <p><u>Primary responsibilities include:</u></p> <ol style="list-style-type: none"> 1. Handling matters related to the Board of Directors and shareholders' meetings in compliance with laws and regulations. 2. Preparing minutes of Board of Directors and shareholders' meetings. 3. Assisting directors in their appointment and continuing education. 4. Providing necessary information for directors to carry out their duties. 5. Assisting directors in compliance with laws and regulations. 6. Reporting to the Board of Directors on the qualification review of independent directors during the nomination, appointment, and tenure. 7. Managing matters related to changes in the Board of Directors. 8. Other matters specified in the company's articles of incorporation or contracts. <p><u>Execution of Governance Supervisor's Duties in 2023</u></p> <ol style="list-style-type: none"> 1. Assisting the Chairman and committee chairs in convening meetings, providing meeting agendas and sufficient materials, notifying members to review the materials, and reminding of conflicts of interest to ensure compliance with relevant regulations. 2. In 2023, held 7 Board of Directors meetings, 6 Audit Committee meetings, 4 Compensation Committee meetings, and 1 Nomination Committee meeting. 3. Presented reports to the Board of Directors on the operation of corporate governance, progress in sustainable development, adherence to ethical 	difference.

Evaluation Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
			<p>business practices, and measures taken for 2022 on May 9, 2023.</p> <p>4. Registered the shareholder's annual meeting scheduled for May 31, 2023, in compliance with legal requirements, and provided meeting materials and the annual report to protect shareholders' rights.</p> <p>5. Completed annual professional development courses on May 31, 2023, based on business needs and director requirements.</p> <p>6. Reported the execution results of the 2022 corporate governance assessment to the Board of Directors on May 9, 2023.</p> <p>7. Provided governance-related regulatory materials to directors and internal personnel to ensure compliance with laws and regulations.</p> <p>8. Conducted closed-door meetings with independent directors, auditors, and the internal audit supervisor to understand the implementation status of internal control systems. Meeting records can be found on the company's website.</p> <p>9. Responded promptly and effectively to requests from directors to maintain smooth communication with directors and various executives.</p> <p>Please refer to Note 2 for information on the professional development of the Governance Supervisor in 2023.</p> <p>Please visit the company's website under Investor Services - Corporate Governance - Governance Supervisor for more details.</p>	
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the	V		<p>The company has appointed a spokesperson and a proxy spokesperson as channels of communication with stakeholders.</p> <p>In addition to the investor service area, which has been set up to disclose information related to the Company's financial business and corporate governance information, an ESG area has been added this year to disclose the implementation of ESG.</p>	No significant difference.

Evaluation Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
issues they care for in terms of corporate social responsibilities?			Communication with stakeholders in 2023, which was reported to the Board of Directors on November 7, 2023 Please refer to the Company's website for ESG area.	
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The company has engaged Taishin Securities as a professional share agent to handle related matters.	No significant difference.
7. Information Disclosure 1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has set up Chinese and English websites with dedicated areas for investor services and ESG. Stakeholders can browse and learn about the Company's information and significant events on the Market Observation Post System or the Company's website.	No significant difference.
2) Has the company adopted other means of information disclosure (such as setting up an English website, designating a person responsible for the collection and disclosure of company information, implementing a spokesperson system, placing the company's website in the course of corporate meetings, etc.)?	V		To ensure smooth communication between the Company and its Stakeholder, the Company has established a system of spokespersons and proxies. These channels are available on the Market Observation Post System, the Company's website, as well as through designated contact telephone numbers and email addresses. A video of the earnings call is also available on the Company's website.	No significant difference.
3) Does the Company announce and report annual financial statements within two months after the end of	V		The Company announces and reports annual financial statements within two months after the end of each fiscal year, and announces and reports Q1, Q2, and Q3 financial statements before the prescribed time limit.	No significant difference.

Evaluation Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?			The financial statements for the fiscal year 2022 and the first, second, and third quarters of 2023 were announced ahead of schedule on February 24, 2023, May 9, 2023, August 11, 2023, and November 7, 2023, respectively. Monthly revenue figures are also announced and reported within the specified time frame.	
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<p>Other important information is as follows:</p> <ol style="list-style-type: none"> 1. Director Training: All directors of the company possess relevant professional knowledge and comply with regulations by participating in training programs on securities regulations and other courses. All directors meet the required training hours. Please refer to Note 3 for the training status of directors and independent directors. 2. The Company's board of directors is the highest authority for risk management policies. It is responsible for approving, reviewing, and overseeing the company's risk management policies to ensure their effectiveness. A cross-departmental risk management team is established as the responsible unit for executing risk management. The Chief Operating Officer serves as the convener, and several deputy conveners are designated. The team members include designated responsible persons from various functional units (all departments within the company). The team is primarily responsible for monitoring, measuring, and evaluating company risks and operates independently from business units and operational activities. They report to the board of directors annually. The audit department formulates an annual audit plan based on the company's risk assessment results and conducts periodic audits to ensure the proper implementation of risk controls. Audit reports are issued based on the audit findings. 	No significant difference.

Evaluation Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
			<p>On November 7, 2023, the 2023 risk management policy was reported to the Audit Committee and Board of Directors, and the 2023 policy and implementation situation was disclosed on the website. Please refer to our website / investor services / corporate governance / risk management policy.</p> <p>3. Implementation of Customer Policy: In response to the trend of diversified customer demands, the company actively stays informed about the latest market information and develops a comprehensive range of products or services for customers to choose from. Maintaining stable and positive relationships with customers and adopting a customer-centric and flexible approach are core strategies in our customer retention efforts. To deliver promised service quality, regular visitation activities and customer feedback are prioritized in the daily maintenance of customer relationships.</p> <p>4. Directors' Liability Insurance: The company has purchased liability insurance for current directors to mitigate and distribute legal risks associated with their scope of duties and to protect the company and shareholders from significant damages. The initial coverage was obtained in 2016, and the most recent renewal period started on April 17, 2023, for one year. Important details, such as the coverage amount of USD 5 million, coverage scope (all directors), and insurance premium rates, were reported to the board of directors on May 9, 2023.</p> <p>5. The succession plan for the company's board of directors and key management personnel can be found on the company's website under the section "Investor Services" > "Corporate Governance" > "Succession Plan for Board Members and Key Management Personnel."</p>	

Evaluation Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. (It is not necessary for a company which is not evaluated to fill this column)	V		<p>The Company's ongoing corporate governance evaluation is summarized as follows:</p> <p>Improvements made:</p> <p>1.1 Reporting of director remuneration in shareholder meetings</p> <p>1.8 The Annual Report shall be uploaded 18 days before the shareholders' meeting</p> <p>1.9 Simultaneous uploading of English version meeting notices 30 days before shareholder meetings</p> <p>2.18 Internal performance evaluation of functional committees.</p> <p>3.5 Whether the Company will upload the annual financial statements in English 16 days before shareholder meetings.</p> <p>3.18 Establish an English Company website</p> <p>4.14 The disclosure of identified stakeholders' identities, concerns, communication channels, and response methods that have yet to be improved, with priority given to the following items for enhancement:</p> <p>4.11 Disclosure of greenhouse gas emissions, water usage, and total waste weight for the past two years</p> <p>4.12 Development of policies for greenhouse gas reduction, water conservation, or waste management</p>	No significant difference.

(Note 1) CPA Independence Evaluation Criteria

Evaluation Items	Article 47 of Certified Public Accountant Act	Result Yes/No	Compliance with independence
1. Does the auditor have any close business relationships or potential employment relationships with the company?	Item 1	No	Yes
2. Have the auditor or members of their audit team served as directors, executives, or held positions with significant influence over the audit work in the company within the current or past two years?	Item 2	No	Yes
3. Does the auditor have any relatives who hold positions of significant influence over the audit work in the company, such as directors or executives?	Item 3	No	Yes
4. Does the auditor have any direct or significant indirect financial interests in the company?	Item 4	No	Yes
5. Has the auditor engaged in any financing or guarantee activities with the company or its directors?	Item 5	No	Yes
6. Has the auditor provided any non-audit services that could directly impact the audit work for the company?	Item 6	No	Yes
7. Has the company retained the same auditor as the signing auditor for seven consecutive years, or has the signing auditor been subject to any disciplinary actions or events that may affect their independence?	Item 7	No	Yes
8. Has the auditor acted as an intermediary for the issuance of the company's stocks or other securities?	-	No	Yes
9. Has the auditor acted as a legal representative for the company or coordinated conflicts with third parties on behalf of the company?	-	No	Yes
10. Does the auditor have any inappropriate relationships with the company?	-	No	Yes

(Note 1-1) Summaries of AQIs

Evaluation Items - 5 aspects, 13 indicators		Result Yes/No	Compliance with suitability and independence
Aspect 1. Professionalism			
1-1. Audit experience	Sufficient audit experience to perform audit work, better than the average of the industry	Yes	Yes
1-2. Training hours	Adequate education and training of the audit team in terms of professional knowledge and expertise, better than the average of the industry	Yes	Yes
1-3. Turnover	The turnover rate of audit staff at the managerial level and above is lower than the industry average	Yes	Yes

Evaluation Items - 5 aspects, 13 indicators		Result Yes/No	Compliance with suitability and independence
1-4. Professional support	Support and engagement from professionals other than auditors	Yes	Yes
Aspect 2. Quality control			
2-1. CPA's work load	The number of companies of the CPAs and the number of hours invested are not excessive compared to the industry	Yes	Yes
2-2. Audit engagement	Whether the planning and execution hours of the audit team are appropriate	Yes	Yes
2-3. Engagement quality control review (EQCR) scenarios	Whether the EQCR team spend enough time for review	Yes	Yes
2-4. Quality control support capability	Whether the quality control staff is supportive to the audit team	Yes	Yes
Aspect 3. Independence			
3-1. Non-audit services	Whether the percentage of non-audit fees for audit cases has been reduced as compared with that of last year for compliance with the independence requirement	Yes	Yes
3-2. Customers familiarity	The cumulative number of years in which the annual financial statements of the same firm have been certified reaches 10 years (Note)	Yes	Yes
Aspect 4. Supervision			
4-1. External inspection deficiencies and sanctions	Good compliance with the law at the firm level and case level	Yes	Yes
4-2. Letter of improvement from the competent authority			
Aspect 5. Innovation			
5-1. Innovative planning or initiatives	Firm level: Programs adopted or planned in the last three years that have contributed to the improvement of audit quality <ol style="list-style-type: none"> 1. Introducing cloud-based audit platforms and tools 2. Applying digital technology 3. Expanding audit support center 	Yes	Yes

(Note) The CPAs have not been continuously certified for more than seven years since the initial public offerings, and are in compliance with the rotation rules without affecting the independence of the CPAs.

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

Course Duration	Organizer	Course Name	Hours	Total Hours for the Year
March 10	CGA	Shareholders' Meeting, Operating Rights and Equity Strategies	3 hours	18 hours
May 31	CGA	How to Negotiate a Successful M&A Deal	3 hours	
		5G to Shape Digital Transformation and Competitive Landscape of Enterprises	3 hours	
September 4	Financial Supervisory Commission	14th Taipei Corporate Governance Forum	6 hours	
November 22	SFI	2023 Annual Briefing on Legal Compliance in Insider Equity Transactions	3 hours	

(Note 3) Continuing education of directors and independent directors

Title	Name	Date of Appointment	Course Duration	Organizer	Course Name	Hours		
Chairman	KUAN, JIN-KUN	2022.05.27	2023.05.31	CGA	How to Negotiate a Successful M&A Deal	3 hours		
Director	WANG, NIEN-CHING					3 hours		
Director	KUAN, TIEN-YU					3 hours		
Director	QU, RON-FU					3 hours		
Director	TAN, MING-CHU					3 hours		
Independent Director	HE, JIAN-DE					3 hours		
Independent Director	JIAN, RONG-KUN					3 hours		
Chairman	KUAN, JIN-KUN	2022.05.27	2023.05.31	CGA	5G to Shape Digital Transformation and Competitive Landscape of Enterprises	3 hours		
Director	WANG, NIEN-CHING					3 hours		
Director	KUAN, TIEN-YU					3 hours		
Director	QU, RON-FU					3 hours		
Director	TAN, MING-CHU					3 hours		
Independent Director	HE, JIAN-DE					3 hours		
Independent Director	JIAN, RONG-KUN					3 hours		
Director	CHIU, MING-QIEN	2022.05.27	2023.08.09	CGA	M&A Strategy and Planning	3 hours		
					Insider Trading from an Investigative Perspective	3 hours		
Independent Director	LIU, ZHI-HONG		2023.09.25		Insider Trading Prevention and Countermeasures	3 hours		
					Risks and Opportunities of Business Operations from Climate Change and Net Zero Emissions Policies	3 hours		

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

1. Information of the Members in the Compensation Committee

Title	Criteria Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Compensation Committee Member
<p>All members of the Compensation Committee are independent directors.</p> <p>Please refer to: Information on Directors and Supervisors</p>	<p>JIAN, RON-KUN (Convener)</p>	<p>Mr. Jian, Ron-Kun holds a Master's degree in Business Administration from the National Chengchi University. He founded EISO Enterprise Co., Ltd., and has served as the Chairman for over 20 years. Under his leadership, EISO Enterprise successfully transitioned from the PCB industry to the field of electric bicycles.</p> <p>Currently, he also serves as the independent director of Ledlink Optics, Inc., Chairman of EISUN Enterprise Co., Ltd., Chairman of Yicheng Construction Co., Ltd., corporate director of 500net Tech., and corporate director of PORClean Nano-Biochem Co., Ltd.</p> <p>Currently serving as an independent director in his second term, he has not exceeded three terms, and there has been no violation of Article 30 of the Company Act.</p>	<p>According to the Company's Articles of Incorporation and "Corporate Governance Best Practice Principles," the election of directors in the Company follows a candidate nomination system. In the comprehensive election of the ninth board of directors held on May 27, 2022, all three independent directors were reelected.</p> <p>In accordance with:</p> <ol style="list-style-type: none"> 1. Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies 2. Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a 	<p>1</p>

	LIU, ZHI-HONG	<p>Mr. Liu, Zhi-Hong holds a master's degree in accounting from National Taiwan University and a CPA license, and has over 20 years of experience in accounting firms.</p> <p>He currently serves concurrently as an independent director of Poya International Co., Ltd., and Sunny Pharmtech Inc. Furthermore, since 2021, he has served as the new Chairman of ThinFlex Corporation. Currently serving as an independent director in his second term, he has not exceeded three terms, and there has been no violation of Article 30 of the Company Act.</p>	<p>Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange</p> <p>3. Checklist of qualifications for independent directors (during their term of office).</p> <p>4. The power to fully participate in decision-making and express opinions has been granted in accordance with Article 14-3 and Article 14-5 of the Securities and Exchange Act, which is used to independently execute related powers.</p>	2
	HE, JIAN-DE	<p>Mr. He, Jian-De holds a PhD in Technology Management from Portland State University and has been teaching at Yuan Ze University for over 10 years. He is currently serving as a professor at Yuan Ze University's College of Management. The research areas he specialized in include strategic technology management, competitive strategies for high-tech industries, and innovation management.</p> <p>Currently serving as representative of legal person director, BMC Venture Capital Investment Corporation.</p> <p>Currently serving as an independent director in his second term, he has not exceeded three terms, and there has been no violation of Article 30 of the Company Act.</p>	<p>Review of Qualifications: All independent directors of the Company do not have any significant relationships that would impact their independence. All independent directors should be able to appropriately and objectively execute their duties with the best interests of the Company as the premise.</p>	0

2. Implementation Status of the Compensation Committee

- 1) There are 3 members in the Compensation Committee of the Company.
- 2) The term of office of the current members: May 27, 2022 to May 26, 2025. The Compensation Committee of the Company held 5 (A) meetings in 2023 and 2024. The qualification and attendance of members was as follows:

Title	Name	Attendance in person (B)	Attendance by Proxy	Attendance Read (%) (B/A)	Remarks
Independent Director	JIAN, RONG-KUN	4	1	80%	Convener
Independent Director	HE, JIAN-DE	5	0	100%	Member
Independent Director	LIU, ZHI-HONG	5	0	100%	Member

Other items to be recorded:

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

3. Resolutions of the Compensation Committee

Date	Contents of Motion	Results of Resolutions
2023/2/24 (5 th Term 3 rd Meeting)	Proposal 1: Remuneration for Directors and Compensation for Employees for 2022. Proposal 2: The Company's Employee Stock Options to the 2023 Cash Capital Increase Case.	Passed as proposed.
2023/2/24 (5 th Term 4 th Meeting)	Proposal 1: The Employee List of 2023 Employee Stock Options for Cash Capital Increase. Proposal 2:	Passed as proposed.
2023/8/11 (5 th Term 5 th Meeting)	Proposal 1: Review of the 2022 Management Performance Bonus of the Company.	Passed as proposed.
2023/12/26 (5 th Term 6 th Meeting)	Proposal 1: Review of the Policies, Standards, and Structure of the Director and Management Compensation for 2023. Proposal 2: Proposed Amendments to the "Regulations Governing Performance Bonuses and Year-End Bonuses" and "Regulations Governing Employee Compensation". Proposal 3: Review of the 2023 Management Year-End Bonus of the Company.	Passed as proposed.

2024/2/23 (5 th Term 7 th Meeting)	Proposal 1: Remuneration for Directors and Compensation for Employees for 2023. Proposal 2: Salary Adjustments for the Senior Managerial Officer for 2024.	Passed as proposed.
Independent directors expressing opposition, or reservation opinions and having recorded or written statements: None.		
The Company's response to the opinions of Compensation Committee: The Board of Directors approved and passed all the motions based on the recommendations of the Compensation Committee.		

(5) Nomination Committee Situation

1. Information of Nomination Committee Member

Title	Criteria Name	Professional Qualifications and Experience	Independence Status	Number of Other Publicly Listed Companies Where He Serves as a Member of the Nomination Committee
All members of the Nomination Committee are independent directors	LIU, ZHI-HONG (convener)	Please refer to Information of the Members in the Compensation Committee		
	JIAN, RONG-KUN			
	HE, JIAN-DE			

2. Information on the Operation of the Nomination Committee

- There are 3 members in the Nomination Committee of the Company.
- The tenure of the current committee members is from August 12, 2022, to May 26, 2025. In the most recent fiscal year, the Nomination Committee met twice (A) in 2023 and 2024, and the members' qualifications and attendance are as follows:

Title	Name	Professional Qualifications and Experience	Attendance in person (B)	Attendance by Proxy	Attendance Read (%) (B/A)	Remarks
Independent Director	LIU, ZHI- HONG	Please refer to Information of the Members in the Compensation Committee	2	-	100%	Convener
Independent Director	HE, JIAN- DE		2	-	100%	Member
Independent Director	JIAN, RONG- KUN		2	-	100%	Member

Other items to be recorded:

Details regarding the meeting dates, terms, content of the proposals, suggestions or oppositions of the Nomination Committee members, the resolution results of the Nomination Committee, and how the company handled the opinions of the Nomination Committee are provided in the table summary below.

Resolutions of the Nomination Committee :

Date	Contents of Motion	Results of Resolutions
2023/2/24 (1 st Term 2 nd Meeting)	Proposal 1: Review of the 2022 Board of Directors' Performance Evaluation Results. Proposal 2: Review of the Organizational Structure Changes and Nomination of Senior Executive Personnel Appointments in Relation to the Company and Its Subsidiary	Passed as proposed.

	Symtek (Dongguan) Co., Ltd. (Sac).	
2024/2/23 (5 th Term 7 th Meeting)	Proposal 1: Review of the 2023 Board of Directors' Performance Evaluation Results.	Passed as proposed.
Independent directors expressing opposition, or reservation opinions and having recorded or written statements: None.		
The Company's response to the opinions of Nomination Committee: The Board of Directors approved and passed all the motions based on the recommendations of the Nomination Committee.		

(6) Implementation of Sustainable Development

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		<p>The Company revised the Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" by the Board of Directors on March 8, 2022. Please refer to the Company's website/Investor Services/Corporate Governance.</p> <p>On May 9, 2023, the General Manager's Office, Human Resources Department, and Operations Management Department reported on their efforts to promote sustainable development at the Board of Directors' meeting.</p> <ol style="list-style-type: none"> 1. The chairman and General Manager of the Company have set a vision for sustainable development, centered around the core technology of smart manufacturing. Our mission is to educate and train talents, to collaborate with educational institutions and public organizations, and to bring smart manufacturing into industries and daily life, creating employment opportunities and enhancing industrial competitiveness while improving environmental sustainability. 2. Each department has been assigned to a corporate governance, environmental/product, and social/employee group based on their business responsibilities. We've integrated the resources and management systems of each department to build a driving module for sustainable development and a process structure for performance evaluation. 3. Moving forward, we plan to include sustainable development in employee education and training. This will ensure that managers 	No significant difference.

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>in each department can lead all employees to fully understand the Company's sustainable management philosophy.</p> <p>4. This year, the ESG are has been added to the official website to illustrate the implementation of ESG. The board will regularly review the operating strategy on an annual basis, urging the operating team to make changes where necessary.</p>	
2. Has the company assessed the environmental, social, and corporate governance risks of its operations based on the principle of materiality and established related risk management policies or strategies?	V		<p>The board of directors serves as the highest authority for risk management policies, responsible for approving, reviewing, and overseeing the effectiveness of risk management. The Audit Committee oversees the implementation of the Company's risk management policies and provides professional advice.</p> <p>A cross-functional risk management team has been Globe as the responsible unit, with the Chief Operating Officer acting as the convener and several deputy conveners appointed. The team includes designated representatives from various functional units within the company and is primarily responsible for monitoring, measuring, and evaluating company risks at the operational level. The members regularly report to the Audit Committee on the risk environment, risk assessment and response measures encountered by the Company, and report to the board of directors at least once a year on the implementation of risk management. The audit department formulates an annual audit plan based on the company's risk assessment results and conducts periodic audits to ensure the proper implementation of risk controls. Audit reports are issued based on the audit findings.</p>	No significant difference.

Evaluation Item	Implementation					Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration			
			Significant Issues	Risk Assessment Items	Related Management Policies or Strategies	
			Environment (E)	Climate Change	1. Focusing on international climate change issues, we have set up overall carbon reduction targets and promoted various low-carbon strategies. 2. We have strengthened daily disaster prevention inspections, implemented daily disaster drills to reduce the occurrence of disasters in the plant. 3. We have planned to implement ISO22301 Business Continuity Management System to improve business continuity and crisis management system, so that in case of a crisis, the Company can continue to operate and minimize losses.	

Evaluation Item	Implementation					Deviations from "the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons	
	Yes	No	Abstract Illustration				
				Social (S)	Product Safety (Quality and Regulations)	All our products comply with government regulations, product and service laws, and the European Union's hazardous substance "EU Battery Regulations". Our rigorous quality system management ensures stable product quality for our customers. To ensure customer service quality and enhance customer satisfaction, we've set up dedicated customer service lines and communication websites. We conduct regular customer service satisfaction surveys every year, strengthening cooperation with our customers. Through a mutually beneficial relationship with our customers, we build a foundation for sustainable business development.	

				Occupational Safety and Health	<ol style="list-style-type: none"> 1. The Company provides a safe and comfortable working environment for employees and equips them with the necessary safety protection for their safety and health. We formulate safety work rules to prevent various accidents, and supervisors and management units regularly review the working environment. We comply with the relevant regulations for factory safety and hygiene work to prevent occupational disasters, ensuring the safety and health of employees. Necessary safety and health education, disaster prevention training, health checks, and other measures are provided for employees. Our safety and health work rules are submitted to the Northern Labor Inspection Office of the Executive Yuan Labor Committee for approval and implementation. 2. Healthy and happy employees are essential for sustainable growth. Operators of hazardous machinery or equipment (such as cranes) and personnel managing hazardous substances or other special tasks must be trained by government-approved training institutions. 3. We regularly provide free health checks and have a resident doctor available once a month for health consultations. This helps employees take care of their own health, ensuring the well-being of 	
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Evaluation Item	Implementation					Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration			
					the Company's human assets.	
			Corporate Governance (G)	Board of Directors Functions	To ensure the Board of Directors fulfills its governance function and strengthens its authority, we have established an Audit Committee, Compensation Committee, and Nomination Committee under the Board of Directors. We have formulated the "Board of Directors Rules of Procedure", "Key Points to Follow for the Establishment and Exercise of Powers by the Board of Directors", and "Method for the Appointment and Compliance of Independent Directors". In the future, the Company will continue to strengthen the function of the Board of Directors, implement the Board's meeting regulations, and enhance the transparency of the Board's information to maximize the function of the Board.	

Evaluation Item	Implementation				Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons	
	Yes	No	Abstract Illustration			
				Stakeholder Communication	In addition to the investor service area, which has been set up to disclose information related to the Company's financial business and corporate governance information, an ESG area has been added this year to disclose the implementation of ESG. Communication with stakeholders in 2023, which was reported to the Board of Directors on November 7, 2023 Please refer to the Company's website for ESG area.	
			The Company's risk management operations for 2023 were presented to the Audit Committee on November 7, 2023 and reported to the Board of Directors. The 2023 policy and its implementation have been disclosed on the Company's website. Please refer to our website / investor services / corporate governance / risk management policy.			
3. Environmental Issues 1) Has the company established an appropriate environmental management system based on its industry characteristics?	V		1. Based on the concept of sustainable development, the company collaborates with partners such as suppliers, customers, and academic institutions to innovate and develop products, aiming to enhance resource efficiency. The Company's automated equipment assists customers in improving yield and quality, thereby reducing unnecessary material and energy waste in the manufacturing process, indirectly promoting operational growth			No significant difference.

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>and reducing resource intensity in the high-tech industry for environmental sustainability.</p> <p>The Company has implemented a carbon management platform for inventory guidance. The projects executed in the first quarter of 2023 include: (1) establishing a team and initiating meetings, and (2) identifying sources of greenhouse gas emissions.</p> <p>In the second quarter of 2023, the executed projects were: (1) collecting quantitative data of identified emission sources, and (2) creating an inventory list and forms.</p> <p>In the third quarter of 2023, the executed projects were: (1) establishing a greenhouse gas inventory management procedure manual (ISO14064-1), and (2) collecting activity data.</p> <p>In the fourth quarter of 2023, the projects executed were: (1) collecting activity data, and (2) internal verification education and training.</p>	
2) Is the company committed to improving energy efficiency and using low-impact renewable materials?	V		<p>2. The Company is engaged in the assembly of automation equipment for electronics, optoelectronics, and semiconductor industries. The operational process does not generate significant environmental pollutants such as air emissions, water pollution, or hazardous substances. Waste generated during daily operations and production is properly handled. In addition to setting up recycling bins in the office and factory areas, we advocate the importance of waste sorting and recycling to our employees. Residual materials such as aluminum, iron, and wire from production are collected and entrusted to professional manufacturers for recycling. These materials are then reused in the production cycle. In addition, we've digitized our attendance</p>	No significant difference.

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			system to reduce paper usage, thereby fulfilling our corporate responsibility for environmental protection and improving resource efficiency.	
3) Has the company assessed the potential risks and opportunities of climate change on its present and future operations and implemented relevant measures to address them?	V		<p>3. The Company has assessed the potential risks and opportunities of climate change on its present and future operations and implemented the following measures:</p> <p>Impact or degree of influence of greenhouse gas emissions on the company:</p> <p>1) Risks influenced by climate change-related regulations:</p> <p>① Regulatory requirements from authorities for listed companies to establish greenhouse gas inventory plans and timelines.</p> <p>② Control of greenhouse gas emissions and carbon taxation.</p> <p>③ Renewable energy development regulations.</p> <p>The risks associated with compliance with climate change-related regulations may result in increased costs for greenhouse gas inventory and carbon reduction management, as well as expenses for installing renewable energy equipment or purchasing renewable energy certificates.</p> <p>2) Substantive risks related to climate change:</p> <p>(1) Floods (2) Droughts (3) Typhoons (4) Increased premiums for natural disaster insurance (5) Rising temperatures.</p> <p>The occurrence of extreme weather events and natural</p>	No significant difference.

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>disasters poses substantive risks that can impact the company's operations, employees, and supply chain, and may even endanger human life and property.</p> <p>3) Opportunities provided by climate change: (1) Participation in renewable energy projects or carbon trading markets (2) Construction of green buildings (3) Development of low-carbon products and services, or enhancing the efficiency of customer products (4) Promotion of low-carbon and green production (5) Enhancing disaster resilience (6) Enhancing corporate reputation.</p> <p>Strategies, methods, and goals for greenhouse gas management: 1) Strategies for addressing climate change or greenhouse gas management We will integrate energy-saving and carbon reduction concepts into corporate policy, establishing short-, medium-, and long-term strategies for climate change adaptation and greenhouse gas management, progressing towards the Net Zero emission goal: Short-term (by 2030): Promote digital transformation, greenhouse gas inventory, and initiate renewable energy projects. Medium-term (by 2035): Implement and set scientific reduction targets for net-zero carbon emissions. Long-term (by 2050): Aim for RE100, heading towards net-zero carbon emissions by 2050.</p>	

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>2) Corporate greenhouse gas emission reduction target Set 2023 as the base year, aiming to reduce greenhouse gas emissions by 30% by 2030 compared to 2023, in alignment with Taiwan's policy to achieve net-zero emissions by 2050.</p> <p>3) Budget and plan for corporate greenhouse gas emission reduction Budget and plan:</p> <ul style="list-style-type: none"> ① Planned schedule for greenhouse gas inventory and verification for the company. ② Constructed green factories and install solar power systems to obtain green building certifications. ③ Gradually phased out and replace aging equipment that has decreased efficiency. ④ Annually transition from fuel-powered vehicles to hybrid or electric vehicles to reduce greenhouse gas emissions from fuel. ⑤ Promoted low-carbon green production by reintroducing materials with recycling value into the production cycle. <p>4) Assessed the carbon reduction impact of corporate products or services on customers or consumers.</p> <ul style="list-style-type: none"> ① Development of low-carbon products and services, or enhancing the efficiency of customer products. ② Continue to work with our customers to achieve energy saving and carbon reduction through green supply. 	

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
4) Has the company tracked greenhouse gas emissions, water usage, and total waste weight over the past two years and developed policies for greenhouse gas reduction, water conservation, or other waste management?	V		4. Due to the nature of the industry, the company's main source of greenhouse gas emissions is from purchased electricity, outside the scope of Category 2. The company has implemented temperature control for air conditioning based on different seasons to effectively utilize energy and achieve energy-saving and carbon reduction goals. The company will continue to track energy consumption within its operational scope, monitor changes in greenhouse gas emissions, and disclose them in the Company's official website to fulfill its corporate citizenship responsibility in energy-saving and carbon reduction. Please refer to the Company's website for ESG area.	No significant difference.
4. Social Issues 1) Has the company established relevant management policies and procedures in accordance with applicable laws and international human rights conventions?	V		1. The company supports the Universal Declaration of Human Rights (UDHR) and is committed to adhering to international human rights standards, including the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights. The Company complies with local regulations in all operating locations and upholds the human rights of all individuals, including permanent employees, contract workers, and interns. In order to safeguard workers' rights, the following policies have been formulated and disclosed, taking into account international human rights conventions: 1) Compliance with relevant labor laws and respect for basic labor rights to ensure the legitimate rights and interests of employees.	No significant difference.

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			2) Respect for gender equality and the establishment of guidelines for the prevention and handling of sexual harassment, creating a "fair and friendly" working environment in accordance with labor laws and gender equality legislation. 3) Protection of the labor rights of indigenous people, migrant workers, and individuals from vulnerable groups with disabilities. 4) Equal treatment in employment policies, non-discrimination, and ensuring equal job opportunities. 5) Non-employment of child labor and prohibition of forced or coerced labor. 6) Development of safety work regulations and regular review of the working environment to provide employees with a safe and healthy working environment. 7) Support and assistance for employees in maintaining physical and mental health. 8) Open communication channels for promoting company policies and listening to employee feedback, fostering two-way communication.	
2) Has the company established and implemented reasonable employee welfare measures (including compensation, leave, and other benefits) and appropriately reflected business performance or results in employee compensation?	V		2. The Company adheres to the concept of caring for employees and sharing profits. It provides employees with salary and benefits that meet industry standards, exceeding legal requirements, and actively cultivates talent while complying with labor laws to protect employee rights. Employee compensation includes monthly salaries, bonuses determined based on the company's annual profitability (profit	No significant difference.

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>sharing), as well as performance bonuses and year-end bonuses based on operational and individual performance. This ensures that business performance is appropriately reflected in employee compensation, creating a win-win situation.</p> <p>Annual profit sharing and performance bonuses are designed to reward employees for their contributions to the company, motivate them to stay, and align their interests with operational performance and shareholder benefits. According to Article 19 of the company's bylaws, if the company makes a profit in a given year, it shall allocate no less than 1% as employee compensation, which will be distributed in the form of stocks or cash, subject to approval by the board of directors. The amount allocated to each employee is determined based on their position, contribution, and performance.</p> <p>Important employee benefits measures include an employee shareholding trust reward scheme that links employee interests with shareholder benefits, support for expanding employees' professional expertise through lifelong learning by providing subsidies for on-the-job training and obtaining degrees, as well as diverse welfare programs and health management.</p> <p>For more details on other welfare measures, please refer to Section 5, Operations Overview, subsection "Employee Welfare Measures."</p>	
3) Does the company provide a safe and healthy working environment for employees and regularly conduct safety and health	V		<p>3. Occupational Safety and Health Policy</p> <p>The Company is committed to managing its operations, production, and marketing of products with the goal of</p>	No significant difference.

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
education?			<p>ensuring the safety, health, and environmental protection of employees, customers, contractors, and the public. The company complies with occupational safety and health requirements and actively involves employees in safety, health, and environmental protection activities to continuously improve safety measures for personnel, machinery, and equipment, and to reduce and prevent work-related injuries and illnesses in accordance with applicable laws and regulations. The company aims for zero accidents and strives to create a healthy and safe workplace.</p> <p>With disaster prevention and disaster mitigation as core principles, the company utilizes appropriate management tools, techniques, and available resources to integrate occupational safety and health issues within the factory premises. It continuously promotes a culture of occupational safety, strengthens protective management for operating personnel, and strives to create an environment with zero accidents.</p> <p>The goal for 2023 is to achieve a disability injury frequency rate of 0 and zero occupational accidents involving personnel.</p> <p>Labor Safety and Health Inspection</p> <p>The company conducts monthly online reporting of labor safety and occupational accident incidents. In the event of a work-related accident, deficiencies are reviewed in labor safety meetings. Regular visits are made to confirm the site conditions and check all self-inspection reports. Weekly sign-</p>	

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons																		
	Yes	No	Abstract Illustration																			
			<p>offs are performed to confirm various conditions and safety management of equipment.</p> <p>The company classifies equipment and manages hazardous machinery and equipment in accordance with the law. Thorough inspections are conducted to ensure the safe operation of equipment. In 2023, the Company had a total of three elevators considered hazardous machinery. These elevators are subject to regular inspections by certified professionals from external agencies in accordance with the "Safety Inspection Rules for Hazardous Machinery and Equipment" to ensure their safe use.</p> <p>List of Hazardous Machinery:</p> <p>Passenger Elevator* 1</p> <p>Passenger and Cargo Elevator* 1</p> <p>Barrier-free Passenger Elevator* 1</p> <p>There are a total of nine hazardous operating equipment, all of which undergo self-inspections monthly based on the "Self-Inspection Management Form."</p> <p>List of Hazardous Operating Equipment:</p> <table><tr><th>Name</th><th>Number</th><th>Name</th><th>Number</th><th>Name</th><th>Number</th></tr><tr><td>Lathe</td><td>1</td><td>Cutter</td><td>1</td><td>Drilling machine</td><td>2</td></tr><tr><td>Milling machine</td><td>1</td><td>Tapping machine</td><td>1</td><td>Belt sander</td><td>1</td></tr></table>	Name	Number	Name	Number	Name	Number	Lathe	1	Cutter	1	Drilling machine	2	Milling machine	1	Tapping machine	1	Belt sander	1	
Name	Number	Name	Number	Name	Number																	
Lathe	1	Cutter	1	Drilling machine	2																	
Milling machine	1	Tapping machine	1	Belt sander	1																	

Evaluation Item	Implementation							Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons								
	Yes	No	Abstract Illustration													
			<div> <div>Cutting machine</div> <div>1</div> <div>Electric lift trucks</div> <div>1</div> <div>Overhead crane (under 1 ton)</div> <div>1</div> </div> <div> Company's industrial safety training and promotion for the past three years: <table> <tr> <th>Year</th> <th>Number of educational training sessions</th> <th>Total hours of education and training</th> </tr> <tr> <td>110</td> <td>274</td> <td>1049</td> </tr> <tr> <td>111</td> <td>189</td> <td>920</td> </tr> <tr> <td>112</td> <td>148</td> <td>799</td> </tr> </table> </div>	Year	Number of educational training sessions	Total hours of education and training	110	274	1049	111	189	920	112	148	799	
Year	Number of educational training sessions	Total hours of education and training														
110	274	1049														
111	189	920														
112	148	799														
4) Has the company established effective career development and training programs for employees?			4. Please refer to Section V, "Operational Overview" and Section V, "Labor Relations" for information on training and development.					No significant difference.								
5) Regarding issues related to customer health and safety, customer privacy, marketing, and labeling of products and services, does the company comply with relevant laws and international standards and develop policies and complaint procedures to protect consumer or customer rights and interests?	V		5. The company's products mainly consist of customized and automated equipment. To ensure customer safety, designs and verifications are conducted in accordance with relevant safety standards. High-voltage testing machines are introduced as required by customers to ensure the safety of power distribution. Safety measures include reinforcing safety devices in mechanical design, conducting human factor engineering assessments, and applying warning labels in areas where potential hazards may occur. Product operation manuals contain safety declarations and warnings. In terms of protecting customer confidential information, the					No significant difference.								

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>company signs confidentiality agreements with customers. The employee code of conduct includes provisions on fair competition and anti-monopoly practices. Employees are also prohibited from disclosing customer intellectual property or privacy to third parties.</p> <p>Handling customer complaints is a key focus in improving customer satisfaction. The company has established a "Customer Complaint Handling Process" that outlines the procedures for addressing product complaints, suggestions, or dissatisfaction. When complaints arise, relevant departments such as R&D, quality assurance, or manufacturing are informed to analyze the causes, develop improvement measures, and report the results to customers, ensuring satisfactory after-sales service.</p> <p>Moreover, the Company adheres to relevant laws and international guidelines in marketing and labeling, refraining from any deceptive, misleading, fraudulent, or consumer trust-damaging practices.</p>	
6) Does the company have a supplier management policy that requires suppliers to adhere to relevant standards in environmental protection, occupational safety and health, or labor rights? How is the implementation of this policy?	V		6. In order to provide superior products and innovative technologies, the company establishes long-term cooperative relationships with suppliers based on the principle of win-win cooperation. Through mutual trust and mutual benefit, the company and its suppliers jointly pursue sustainable growth. Suppliers are not only important production partners but also actively cooperate and respond to the company's sustainability initiatives, allowing us to exert influence and collectively uphold environmental and social sustainability while creating greater	No significant difference.

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>social value.</p> <p>The "Supplier Commitment Letter" requires suppliers to respect basic human rights and labor rights, provide a favorable working environment, and ensure fair treatment of employee wages and benefits. Furthermore, all suppliers are prohibited from employing child labor to protect children's well-being. Additionally, all suppliers are required to comply with environmental regulations and avoid engaging in activities that result in significant environmental harm and penalties from regulatory authorities.</p> <p>The company strictly prohibits suppliers from involvement in bribery, gifts to employees and their families, or any other inappropriate behavior, and expects adherence to intellectual property rights and confidentiality agreements to ensure fair competition and integrity in business operations. Purchasing personnel also emphasize anti-corruption principles through verbal communication when collaborating with suppliers. If a cooperating supplier is found to have seriously violated company policies or caused significant negative impacts on the environment or society, the company reserves the right to terminate or dissolve procurement contracts.</p> <p>Please refer to the Company's website for ESG area.</p>	

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
5. Does the company refer to internationally recognized reporting guidelines or frameworks when preparing non-financial information reports such as sustainability reports? Has the aforementioned report obtained assurance or verification from a third-party assurance provider?	V		The Company voluntarily prepares a sustainability report, but it has not been confirmed or assured. In the future, the company will evaluate the possibility of obtaining third-party verification. Please refer to the Company's website for ESG area.	No significant difference.
6. If the company has its own sustainable development guidelines according to the "Practical Guidelines for Sustainable Development of Listed and OTC Companies", please describe the operation and the difference from the established guidelines: The Company has established the "Practical Guidelines for Sustainable Development", which are clearly regulated. We will do our best according to corporate resources, hence there is no significant difference.				
7. Other important information contributing to understanding the implementation of sustainable development: 1) Product Intelligence DNA The company assists customers in building smart factories in four stages: ① Upgrading non-automated equipment to automated equipment. ② Interconnecting automated equipment. ③ Collecting data from automated equipment and performing integration and transformation. ④ Establishing a database, forming big data algorithms, and conducting analysis, prediction, and monitoring. During the process of assisting customers in smart manufacturing transformation, the Company can help customers: ① Reduce errors and decrease defective products and overproduction. ② Utilize big data analysis to find optimal parameters, reduce energy, water, and material consumption, ensure valuable resources are not wasted, and enhance customer value. 2) Industry-Academia Collaboration DNA In addition to internal research and development, the Company has strengthened external collaboration with academic institutions, aiming to combine the resources of research institutions and units to drive internal innovation and cultivate talents related to smart manufacturing,				

Evaluation Item	Implementation			Deviations from "the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
<p>contributing to the industry. The company views industry-academia collaboration as one of the sources to enhance its core competitiveness, and the cooperative partners include the Taiwan Printed Circuit Association, Industrial Technology Research Institute (ITRI), and major universities. The focus areas include machine innovation, software development, and applications of smart manufacturing.</p> <p>In addition to collaborative projects, to bring academic institutions closer to practical operations, the company donates robotic arms or provides technical support to nearby universities and public associations, enhancing the core technical capabilities of future professionals. The investment in related industry-academia collaboration projects has accumulated over 4 million dollars.</p> <p>3) Other</p> <p>① Donating lunch fees to nearby elementary schools to support underprivileged students, with an annual contribution of 300,000 dollars, totaling over 4.2 million dollars to date.</p> <p>② Voluntarily issuing a sustainability report to disclose the company's sustainable contributions and performance in the aspects of corporate governance, economy, environment, and society.</p> <p>③ Through employee welfare programs and a good education and training system, employees are enabled to create their own lives while working and fulfill their personal values. To encourage employees to pursue further education and expand their professional domains, the "Employee Continuing Education Regulations" were introduced in 2020, allowing employees with more than one year of service to apply for a 50% subsidy for educational expenses.</p> <p>④ Establishing an Employee Welfare Trust Plan Committee with employees as members, a certain amount is deducted from their salary to collectively invest in the company's stock for long-term management and utilization of the trust property, aiming to accumulate wealth for all members and safeguard their future lives.</p>				

(7) Implementation of Climate-related Information

Item	Implementation			
1. Describes the Board's and management's oversight and governance of climate-related risks and opportunities.	<p>1. The Chairman of the Company serves as the Chairman of the ESG Committee, and the Group General Manager acts as the Executive Director. Annually, performance, impact assessments, and progress towards sustainability goals related to ESG and climate change are reported to the Board of Directors.</p> <p>2. The management's role in assessing and managing climate-related risks and opportunities:</p> <p>1) The Environmental Team of the ESG Committee is responsible for identifying climate risks and assessing and responding to climate impacts within their respective areas of responsibility.</p> <p>2) The highest responsible person for climate issues in management is the Group General Manager, who leads the senior executives in implementing climate change-related management tasks and reports directly to the Board of Directors.</p> <p>3) A Risk Management Committee has been established, with a cross-departmental risk management team serving as the executing unit for risk management. The Chief Operating Officer acts as the convener, identifying major risks and discussing corresponding response measures with various business units of the Company.</p>			
2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the organization (short, medium and long term).	<p>1. The Company's climate risk and opportunity assessment are categorized into short, medium, and long-term, defined as within 3 years for short-term, 3 to 5 years for medium-term, and over 5 years for long-term.</p> <p>2. In 2023, the Company conducted an assessment of "climate-related risks and opportunities" according to Task Force on Climate-Related Financial Disclosures (TCFD), evaluating the timing and extent of their impacts and proposing corresponding strategies and measures, including:</p> <p>1) 5 physical risks: Typhoons, floods (short-term), Droughts (medium-term), Power shortages (short-term), Rising temperatures (long-term), Increased premiums for natural disaster insurance (short-term)</p> <p>2) 4 transformation risks: Greenhouse gas emission regulations and carbon taxes, carbon fees (medium-term), Trend towards net-zero emissions (long-term), Uncertainty in the development of new energy-saving and carbon reduction technologies (medium-term), Impact on corporate reputation (medium-term)</p> <p>3) 6 opportunities: Participation in renewable energy projects or carbon trading markets (medium-term) Construction of green buildings (medium-term), Development of low-carbon products and services, or enhancing the efficiency of customer products (long-term), Promotion of low-carbon and green production (medium-term) , Enhancing disaster resilience (short-term), Enhancing corporate reputation (long-term).</p>			
3. Describe the financial impact of extreme climate events and	Risks	Impact on Financial Status	Response Strategies or Measures	
	Typhoons,	Production disruptions resulting in	Evaluate the risk of drought/flooding in	

Item	Implementation			
transformational actions.	floods	financial losses, decreased revenue, and increased operating expenses	manufacturing sites, and develop and implement risk mitigation measures	
	Droughts	Production disruptions resulting in financial losses, decreased revenue, and increased operating expenses	Evaluate the risk of drought/flooding in manufacturing sites, and develop and implement risk mitigation measures	
	Power shortage	Production disruptions resulting in financial losses, decreased revenue, and increased operating expenses	New plant plans to install solar power generation equipment to reduce the impact of power shortage	
	Rising temperatures	Rising electricity consumption, costs and carbon emissions	ESG team established with senior executives leading the greenhouse gas reduction action program	
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	The Company focuses on climate-related issues and risks. With global warming, governments and organizations are emphasizing sustainable development and environmental protection. We are committed to actively participating in related initiatives and reducing the potential impact of environmental factors on our operations. Recognizing the potential risks climate change may pose to our business and supply chain, we have implemented measures to assess and address these risks. Accordingly, the Company has adopted a standardized and comprehensive TCFD risk management framework, and has proposed corresponding disclosure items, response measures, and risk assessment orientations and strategies.			
5. If scenario analysis is used to assess the resilience to climate change risk, the scenarios, parameters, assumptions, analytical factors, and key financial impacts should be described.	N/A.			
6. If there is a transition plan for managing climate-related risks, describe the plan and the metrics and objectives used to identify and manage entity and transition risks.	<div><div>1.</div><div>2.</div><div>3.</div><div>4.</div><div>5.</div></div> <div>Planned schedule for greenhouse gas inventory and verification for the company. Constructed green factories and install solar power systems to obtain green building certifications. Gradually phased out and replace aging equipment that has decreased efficiency. Annually transition from fuel-powered vehicles to hybrid or electric vehicles to reduce greenhouse gas emissions from fuel. Promoted low-carbon green production by reintroducing materials with recycling value into the production</div>			

Item	Implementation
	cycle.
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be specified.	N/A.
8. If there are climate-related targets, information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and amount of carbon reduction credits offset or the amount of renewable energy certificates (RECs) should be described.	2023 has been set as the base year for the Company's planning of the greenhouse gas inventory and verification, with the goal of reducing greenhouse gas emissions by 30% in 2030 compared to 2023, and in line with Taiwan's policy of aiming for net-zero emissions by 2050.
9. Greenhouse gas inventory and assurance status and reduction targets, strategies and specific action plans.	To tie in with the timetable of the roadmap for sustainable development of listed companies.

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

Evaluation Items	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Y	N	Abstract Illustration	
<p>1. Establishment of Integrity Management Policy and Program</p> <p>1) Has the company established an integrity management policy approved by the Board of Directors, and clearly stated the policy and practices of integrity management in regulations and external documents? Are the Board of Directors and senior management actively implementing the commitment to the business policy?</p>	V		<p>1) In order to strengthen corporate governance and create a sound business environment, the company has established the "Code of Conduct," "Code of Ethics," and "Code of Business Conduct and Ethics," which are disclosed on the company's website. These documents clearly define that directors, executives, and employees are prohibited from seeking undue benefits or engaging in improper conduct. The Board of Directors and management actively uphold the commitment to integrity in internal management and business activities. Please refer to the company's website under Investor Services/Corporate Governance for more information on corporate governance policies and regulations.</p>	No significant difference.
<p>2) Has the company established a mechanism to assess the risks of dishonest behavior, regularly analyzing and evaluating business activities with a higher risk of dishonest behavior within the scope of operations? Are preventive measures formulated based on the assessment to prevent dishonest behavior, covering at least the preventive measures specified in Article 7, Paragraph 2 of the "Code of Conduct for Listed</p>	V		<p>2) The Company's "Code of Business Conduct and Ethics" provides clear guidelines on the scope of application, definitions of dishonest behavior and conflicts of interest, and designates the Human Resources Department as the responsible unit for overseeing and implementing these guidelines. In addition to publishing relevant ethical standards and regulations on the company's internal website for easy access by employees, the Company also conducts</p>	No significant difference.

Evaluation Items	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Y	N	Abstract Illustration	
and OTC Companies"?			<p>employee communication and education programs to promote corporate integrity, ethical behavior, and information confidentiality requirements. The Company ensures compliance with the "SAA Code of Conduct,"</p> <p>and takes a serious approach in investigating and addressing confirmed cases of violations of the code. Strict disciplinary measures, including termination of employment or business relationships, as well as legal actions, are taken against those found in violation.</p>	
3) Does the company clearly define operational procedures, behavior guidelines, disciplinary measures for violations, and a complaint system within the framework of the prevention of dishonest behavior? Are these measures effectively implemented, and is there a periodic review and amendment of the aforementioned program?	V		<p>3) The Company strictly complies with the Company Act, the Securities and Exchange Act, the Business Accounting Act, and the "Code of Conduct" and other relevant laws and regulations. The Company is committed to conducting all business activities with integrity.</p> <p>To ensure the accuracy, reliability, and timeliness of financial, managerial, and operational information, as well as employee compliance with related regulations, guidelines, procedures, and laws, internal audits are conducted based on the annual audit plan approved by the Board of Directors. Audit results and follow-up improvement measures are reported to the Board of Directors and management for effective implementation of audit findings. The company also provides a channel for reporting violations of</p>	No significant difference.

Evaluation Items	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Y	N	Abstract Illustration	
			professional ethics on its website, including an independent mailbox, to report any form of fraudulent behavior, with a commitment to maintaining confidentiality.	
2. Implementation of Integrity Management				
1) Does the company assess the integrity records of business counterparts and include clauses on integrity behavior in contracts signed with them?	V		1) When entering into contracts, the Company thoroughly assesses the integrity of the counterparty and incorporates compliance with the Company's integrity management policy into the contract terms.	No significant difference.
2) Has the company established a dedicated unit under the jurisdiction of the Board of Directors to promote corporate integrity management? Does this unit report its integrity management policy, measures to prevent dishonest behavior, and the monitoring and implementation status to the Board of Directors regularly (at least once a year)?		V	2) The promotion of corporate integrity management in the Company is led by the Chairman of the Board, and the relevant communication and implementation are handled by the Human Resources Department. The operational status was reported during the board of directors' meeting on May 9, 2023.	No dedicated units subordinate to the Board of Directors are set up.
3) Has the company developed a policy to prevent conflicts of interest and established appropriate channels for reporting? Is this policy effectively implemented?	V		3) The Company has established a channel for reporting violations of professional ethics on the company website, providing an independent mailbox to report any form of fraudulent behavior, and ensuring confidentiality.	No significant difference.
4) Has the company established effective accounting systems and internal control systems to ensure the implementation of integrity management? Does the internal audit unit	V		4) The Company has established comprehensive and effective control mechanisms in the accounting systems and internal control systems to manage potential high-risk activities and operating procedures	No significant difference.

Evaluation Items	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Y	N	Abstract Illustration	
develop relevant audit plans based on the assessment of the risks of dishonest behavior and conduct audits to verify compliance with measures to prevent dishonest behavior? Alternatively, has the company engaged external auditors to perform such audits?			with a higher likelihood of dishonest behavior. The internal audit team prioritizes these high-risk areas as the main focus of the annual audit plan to strengthen preventive measures. The execution of the audit plan is regularly reported to the board. In addition, through the annual internal control self-assessment, we conduct self-evaluation of the effectiveness of the design and implementation of the internal control system to ensure its effectiveness.	
5) The Company regularly organizes internal and external education and training programs on integrity management.	V		5) The company's employees periodically participate in regulatory promotion and conduct training courses and promotional measures related to integrity management. This helps employees understand the latest laws and regulations that are relevant to them, further enhancing their awareness and compliance with integrity management guidelines. For the implementation status of integrity management promotion among the company's directors, managers, and employees in 2023, please refer to the company's website under Investor Services > Corporate Governance > Implementation of Integrity Management.	No significant difference.
3. Operation of the Whistleblowing System 1) Has the company established specific whistleblowing and reward systems, and established convenient reporting channels? Has	V		1) The company's "Procedures and Guidelines for Integrity Management" Article 21 stipulates the procedures for handling whistleblowing. The company	No significant difference.

Evaluation Items	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Y	N	Abstract Illustration	
the company designated appropriate personnel to handle reported matters?			has also established a dedicated channel for reporting violations of professional ethics on its website, providing an independent mailbox for reporting any form of fraudulent behavior. The Human Resources Department is designated as the responsible unit to oversee and execute these procedures.	
2) Has the company established standard operating procedures for handling reported matters, including investigation criteria, measures to be taken after completing the investigation, and relevant confidentiality mechanisms?	V		2) Records of the receipt and investigation processes, as well as the investigation results, should be documented and kept for a period of five years, with the option to store them electronically. If a lawsuit related to the reported matter occurs before the expiration of the retention period, the relevant information should be retained until the conclusion of the lawsuit.	No significant difference.
3) Does the company take measures to protect whistleblowers from any improper treatment as a result of their reports?	V		3) The Company received zero external whistleblowing cases in 2023. The Company received zero internal employee whistleblowing cases in 2023. Individuals involved in handling whistleblowing matters are required to provide written statements ensuring the confidentiality of the whistleblower's identity and the reported content. The company is committed to protecting whistleblowers from any improper treatment resulting from their reports.	No significant difference.
4. Strengthening Information Disclosure Has the company disclosed the content of its integrity management guidelines and the effectiveness of their	V		The company has disclosed the "Integrity Management Guidelines" and their implementation effectiveness on the	No significant difference.

Evaluation Items	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Y	N	Abstract Illustration	
implementation on its website and the public information observation system?			Public Information Observation System. For the implementation status of integrity management promotion among the Company's directors, managers, and employees in 2023, please refer to the company's website under Investor Services > Corporate Governance > Implementation of Integrity Management.	
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: No significant difference.				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management policies: (e.g., if the Company reviews the amendments to its Ethical Corporate Management Best Practice): No significant difference.				

(9) If the Company has established corporate governance principles and related guidelines, disclose the means of above accessing this information:

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

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

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

Access: Corporate Governance/Corporate Governance Structure/Setting of Related Corporate Governance Regulations/Market Segment: Listed/Company Code 6438

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

1. Training for directors, independent directors, and corporate governance officers.

Please refer to (3), Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons, and (4) Corporate Governance Officers (Note 2). 2023 Corporate Governance Officers' Education Status. "(8) 5. Directors' continuing education" (Note 3) Directors' and independent directors' continuing education.

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

Title	Name	Date of Appointment	Course Duration	Organizer	Course Name	Hours
Chief Accounting Officer	CHIU, CHING-HSIANG	2019.03.07	2023.07.13 ~07.14	Accounting Research and Development Foundation	Professional Development Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges (Professional Ethics Legal Responsibility 3 hours, Finance 3 hours, Corporate Governance 3 hours, Accounting 3 hours)	12 hours
Agent for Chief Accounting Officer	WU, XIAOHONG	2019.08.16	2023.05.18	Accounting Research and Development Foundation	How to Properly Understand Corporate Governance Assessment Indicators	3 hours
			2023.05.25		Business Tax Laws and Practices	3 hours
			2023.06.20		Internal Control Practices of Employee Compensation System in Enterprises	6 hours
Chief Auditing Officer	ZHAO, REN-FENG	2021.11.09 (Note*)	2023.05.17	The Institute of Internal Auditors	How to Adjust Internal Controls for the New ESG Requirements	6 hours
			2023.10.16		Recent Trends in Corporate Governance from Corporate Governance Assessment Indicators	6 hours
Agent for Audit Supervisor	TANG, ZI-YING	2017.04.28	2023.07.17	The Institute of Internal Auditors	Business Contract Management and Audit Practices	6 hours
			2023.11.01		War and Protection of Invisible Assets - Trade Secrets and Non-Compete Clause	6 hours

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

- (1) Certified Internal Auditor (CIA)
- (2) Certification in Control Self-Assessment (CCSA)
- (3) TIPS Taiwan Intellectual Property Management System Self-Assessor

(11) Implementation status of internal control system

1. Statement of Internal Control: Please refer to page 103.
2. If an accountant is engaged to assess the internal control system, the results of their review must be made public through the issuance of a review report: Not applicable.

Symtek Automation Asia Co., Ltd.
Statement on Internal Control System

Date: February 23, 2024

The self-assessment of the Company's internal control system for fiscal year 2023 reveals the following findings:

1. The Company is fully aware that the establishment, implementation and maintenance of its internal control system is the responsibility of the Board of Directors and managerial officers. In this regard the Company has already established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability of reporting, and compliance with applicable laws and regulations.
2. It's important to note that even the most well-designed internal control system can only provide a reasonable level of assurance that the three objectives mentioned are met. The effectiveness of the system may fluctuate as conditions change. The Company's internal control system has a built-in self-assessment mechanism and in case any weaknesses are identified, corrective measures will be promptly taken.
3. The Company evaluates the design and implementation of its internal control system based on the criteria for determining the effectiveness of internal control systems outlined in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). These criteria are divided into five components: the control environment, risk assessment, control activities, information and communication, and monitoring activities. Each element further contains several items. For more information on the abovementioned items, please refer to the Regulations.
4. The Company has employed the criteria for determining the effectiveness of internal control systems, as outlined above, to assess the design and implementation of its internal control system.
5. The evaluation results suggest that the design and implementation of the internal control system, including the oversight of subsidiaries, as of December 31, 2023 is effective. The system provides a reasonable level of assurance that operational goals have been met, financial reporting is reliable, timely, transparent, and compliant with relevant regulations and laws. The Company therefore believes that its internal control system is effective in achieving its stated objectives.
6. This statement will be featured prominently in the Company's annual report and public disclosures. If any information contained in this statement is deliberately misrepresented or concealed, the Company could face legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was approved by the board of directors during the meeting held on February 23, 2024. Of the nine directors present, none were in opposition.

Symtek Automation Asia Co., Ltd.

Chairman: KUAN, JIN-KUN (Signature/Seal)

President: WANG, NIEN-CHING (Signature/Seal)

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

Significant Resolutions and Implementations for the 2023 Annual General Meeting of Shareholders

Adoptions and Discussions	Resolution	Implementation
1. Operating Report and Financial Statements for 2022.	The case was passed with a vote in accordance with the original proposal.	Announcement made in accordance with the resolution of the shareholders' meeting on May 31, 2023.
2. Distribution of earnings for 2022.		The ex-dividend date is set as June 6, 2023. Dividends will be distributed according to the resolution of the Board of Directors, completed on June 27, 2023. (cash dividend of NT\$6.0 per share).
3. Articles of Incorporation		Announcement made on May 31, 2023, on the Company's website, and processed according to the revised procedures.

Significant resolutions of the most recent annual board meeting

Date	Proposals
2023/02/24 9 th Term 6 th meeting	<p>Proposal 1: Remuneration for Directors and Compensation for Employees for 2022.</p> <p>Proposal 2: Operating Report and Financial Statements for 2022.</p> <p>Proposal 3: Distribution of Earnings for 2022.</p> <p>Proposal 4: Approval of 2022 Statement on Internal Control System.</p> <p>Proposal 5: The Company to Carry Out the Construction Plan for the Expansion of the Self-Owned Land, Xinsheng Plant.</p> <p>Proposal 6: Application for Construction Loans From Huaxia Bank for the Construction and Financing Project.</p> <p>Proposal 7: Cash Capital Increase Through Issuance of New Shares and the Issuance of the Second Domestic Unsecured Convertible Bonds.</p> <p>Proposal 8: The Company's Employee Stock Options to the 2023 Cash Capital Increase Case.</p> <p>Proposal 9: Renewal and Application for New Credit Facilities With the Company's Counterpart Banks for 2023.</p> <p>Proposal 10: Amendments to Some Provisions of the Company's Article of Incorporation.</p> <p>Proposal 11: Convening of the 2023 Annual Shareholders' Meeting</p> <p>Proposal 12: Review of the Organizational Structure Changes and Senior Executive Personnel Appointments in Relation to the Company and Its Subsidiary, Symtek (Dongguan) Co., Ltd. (SAC).</p>
2023/03/21 9 th Term 7 th Meeting	<p>Proposal 1: Audit Committee's Report for 2022.</p> <p>Proposal 2: Amendment to the Distribution of Profits for 2022.</p>
2023/05/09 9 th Term 8 th Meeting	<p>Proposal 1: Evaluation and Appointment of Independent Auditors for the Company's Compliance and Suitability.</p> <p>Proposal 2: Approval of the Company's Consolidated Financial Statements for the First Quarter of 2023.</p> <p>Proposal 3: Addition of the "Pre-approval Policy for Non-assurance Services".</p> <p>Proposal 4: Amendments to the Company's "Schedule of Level of Approval Authority".</p> <p>Proposal 5: Amendments to the Company's "Risk Management Policy".</p> <p>Proposal 6: The Company and Taipei Fubon Commercial Bank's Application for an Additional Line of Credit.</p>
2023/06/15 9 th Term 9 th Meeting	<p>Proposal 1: Formulation of the Issuance Price of the Company's 2023 Cash Capital Increase.</p> <p>Proposal 2: The Employee List of 2023 Employee Stock Options for Cash Capital Increase.</p> <p>Proposal 3: The Company's Xinsheng Plant Construction Plan by the Local Contractor.</p>
2023/08/11 9 th Term 10 th Meeting	<p>Proposal 1: The Company's Mid-Year Business Report and Second-Quarter Consolidated Financial Statements for 2023.</p> <p>Proposal 2: Distribution Cash Dividends of in the First half Earnings for 2023.</p> <p>Proposal 3: Review of the 2022 Management Performance Bonus of the Company.</p> <p>Proposal 4: Amendments to the Company's "Procurement and Purchase Process".</p> <p>Proposal 5: Amendments to the Company's "Schedule of Level of Approval Authority".</p>

Date	Proposals	
2023/11/07 9 th Term 11 th Meeting	Proposal 1:	Approval of the Company's Consolidated Financial Statements for the Third Quarter of 2023.
	Proposal 2:	The Announcement Process for the Annual Audit Plan of 2024
2023/12/26 9 th Term 12 th Meeting	Proposal 1:	Review of the Policies, Standards, and Structure of the Director and Management Compensation for 2023.
	Proposal 2:	Proposed Amendments to the "Regulations Governing Performance Bonuses and Year-End Bonuses" and "Regulations Governing Employee Compensation".
	Proposal 3:	Review of the 2023 Management Year-End Bonus of the Company.
	Proposal 4:	Proposal 4: Review of the 2024 Annual Budget of the Company.
	Proposal 5:	Proposal 5: Review of the 2024 Annual Operational Plan of the Company.
2024/02/23 9 th Term 13 th Meeting	Proposal 1:	Remuneration for Directors and Compensation for Employees for 2023.
	Proposal 2:	Salary Adjustments for the Senior Managerial Officer for 2024.
	Proposal 3:	Operating Report and Financial Statements for 2023.
	Proposal 4:	Distribution of Earnings for 2023.
	Proposal 5:	Approval of 2023 Statement on Internal Control System.
	Proposal 6:	Change of CPAs Due to Internal Rotations Within Deloitte & Touche.
	Proposal 7:	Evaluation and Appointment of Independent Auditors's Compliance and Suitability.
	Proposal 8:	Addition of the "Pre-approval Policy for Non-assurance Services".
	Proposal 9:	Renewal and Application for New Credit Facilities With the Company's Counterpart Banks for 2024.
	Proposal 10:	Convening of the 2024 Annual Shareholders' Meeting

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

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

4. Information on Professional Fees

Accounting Firm	Name of CPAs	Auditing Period	Audit Fees	Non-audit Fees	Total	Remarks
Deloitte & Touche	Chuang, Wen-Yuan	2023/01~2023/12	3,720	20	3,740	The non-audit expenses include business registration fees.
	Yang, Ching-Chen					

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

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

- (1) If the non-audit fees paid to the CPA, the accounting firm to which the CPA belongs, and their affiliated enterprises exceed 25% of the audit fees, the amount of audit and non-audit fees and the content of non-audit services shall be disclosed: (Not applicable)
- (2) If the audit fees paid in the year of change of accounting firm are less than the audit fees paid in the year before the change, the amount of audit fees before and after the change and the reasons for the change shall be disclosed: (Not applicable).
- (3) If the audit fees are reduced by 10% or more from the previous year, the amount, percentage and reasons for the reduction shall be disclosed: (Not applicable).

5. Information on Changing CPA:

(1) About the Former CPA

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

(2) About the Successor CPA

Accounting firm	Deloitte & Touche
Name of CPAs	Chuang, Wen-Yuan & Yang, Ching-Chen
Date of appointment	Approved by the board of directors on May 7, 2021

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

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

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

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

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

Base date: April 2, 2023; Unit: Shares

Title	Name	2022		As of April 2	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Chairman	KUAN, JIN-KUN	0	0	0	0
Director	WANG, NIEN-CHING	207,553	0	0	0
Director	Royal Max Holdings Limited	(1,161,270)	0	(200,000)	0
Director	KUAN, TIEN-YU	0	0	0	0
Director	Gudeng Precision Industrial Co., LTD.	161,692	0	0	0
Director	CHIU, MING-QIEN	0	0	0	0
Director	QU, RON-FU	4,244	0	0	0
Director	TAN, MING-CHU	0	0	0	0

Title	Name	2022		As of April 2	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Independent Director	JIAN, RONG-KUN	0	0	0	0
Independent Director	HE, JIAN-DE	0	0	0	0
Independent Director	LIU, ZHI-HONG	0	0	0	0
Managerial Officer	LIN, ZHAO-DE	41,117	0	0	0
Managerial Officer	HUANG, PING-YAO	49,945	0	(18,000)	0
Managerial Officer	LIANG, ZHONG-CHENG	46,754	0	0	0
Managerial Officer	HUANG, FA-BAO	27,239	0	0	0
Managerial Officer	CHIU, CHING-HSIANG	66,395	0	0	0
Managerial Officer	LU, WEN-BIN	29,648	0	0	0

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

Share Transfer Information

Unit: Shares

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

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

Note 2: Acquisition or disposal.

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

8. Information on the relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree)

April 2, 2023; Unit: Shares

Name (Note 1)	Shares held by the shareholder		Shares held by spouse and minor children		Shares held in the names of others		If among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another. (Note 3)		Remarks
	Number of shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Name	Relation	
Gudeng Precision Industrial Co., LTD.	4,161,692	5.53%	0	0.00%	1,549,713	2.06%	-	-	
Rep: CHIU, MING-QIEN	0	0%	0	0.00%	0	0.00%	-	-	
Royal Max Holdings Limited	2,800,000	3.72%	0	0.00%	0	0.00%	-	-	
Rep: KUAN, TIEN-YU	0	0%	0	0.00%	0	0.00%	-	-	
Yuan Rong Investment Co., Ltd.	2,177,172	2.89%	0	0.00%	0	0.00%	-	-	
Rep: ZHUANG, MING-LANG	0	0%	0	0.00%	0	0.00%	-	-	
Suli Investment Co., Ltd.	1,491,577	2.09%	0	0.00%	0	0.00%	-	-	
Rep: HUANG, NAI-WEI	0	0%	0	0.00%	0	0.00%	-	-	
Gudeng Venture Capital	1,549,713	2.06%	0	0.00%	0	0.00%	-	-	
Rep: LIN, TIAN-RUI	0	0%	0	0.00%	0	0.00%	-	-	
SynPower Co., Ltd.	1,276,599	1.70%	0	0.00%	0	0.00%	-	-	
Rep: LIN, WEN-BIN	0	0%	0	0.00%	0	0.00%	-	-	

Name (Note 1)	Shares held by the shareholder		Shares held by spouse and minor children		Shares held in the names of others		If among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another. (Note 3)		Remarks
	Number of shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Name	Relation	
Taishin International Commercial Bank Trustee for SYMTEK AUTOMATION Employee Stock Ownership Trust Property Special Account	1,420,274	1.89%	0	0.00%	0	0.00%	-	-	
Rep: WANG, NIEN-CING	1,260,244	1.67%	6,890	0.01%	0	0.00%	-	-	
WANG, NIEN-CHING	1,260,244	1.67%	6,890	0.01%	0	0.00%	-	-	
Taishin International Commercial Bank Trustee for SYMTEK AUTOMATION Employee Stock Ownership Trust Property Special Account	1,265,422	1.68%	0	0.00%	0	0.00%	-	-	
Rep: WANG, NIEN-CING	1,260,244	1.67%	6,890	0.01%	0	0.00%	-	-	
WANG, XIANG-YU	989,701	1.31%	0	0.00%	989,701	0.00%	-	-	

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

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

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

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

March 31, 2023: Unit: Shares; %

Investees (Note)	Investments by the Company		Investments by directors, supervisors, managerial officers and persons directly investing in or indirectly controlling the business		Consolidated investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Symtek Automation Ltd.	21,631,842	100%	—	—	21,631,842	100%
SYMTEK (Dongguan) Co., Ltd.	21,631,842	100%	—	—	21,631,842	100%
Jiangsu Xunlianke High-Tech Co., Ltd.	16,200,000	60%	—	—	16,200,000	60%

Note: Investments by the Company using the equity method.

IV. Capital Overview

1. Capital and Share

(1) Share

1. Types of shares

Base date: April 2, 2023; Unit: Shares

Types of shares	Authorized capital			Remarks
	Shares outstanding	Unissued shares	Total	
Ordinary shares	75,281,711	24,718,289	100,000,000	Listed shares

2. Information about self registration: Not applicable.

3. History of share capital

UNIT: Shares/NT\$

Year & month	Issuance price (par value per share)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount (NT\$)	Number of shares	Amount (NT\$)	Sources of capital	Use of property other than cash to offset stock dividends	Other
1999.10	10	10,000,000	100,000,000	10,000,000	100,000,000	Established	None	1999.10.28 Jing-Ba-Ba-Shang-Hao No. 139472
2001.07	10	12,500,000	125,000,000	12,500,000	125,000,000	Cash capital increase of NT\$25,000,000	None	2001.08.29 Jing-(090)-Shang No. 09001342750
2001.07	10	15,000,000	150,000,000	15,000,000	150,000,000	Capital increase through capitalization of retained earnings of NT\$25,000,000	None	2001.08.29 Jing-(090)-Shang No. 09001342750
2003.12	10	15,100,000	151,000,000	15,100,000	151,000,000	Cash capital increase of NT\$1,000,000	None	2003.12.17 Jing-Shou-Zhong-Zi No. 09233125780
2004.07	10	18,000,000	180,000,000	18,000,000	180,000,000	Capital increase through capitalization of retained earnings of NT\$29,000,000	None	2004.08.12 Jing-Shou-Zhong-Zi No. 09332562410
2005.11	10	18,020,000	180,200,000	18,020,000	180,200,000	Cash capital increase of NT\$200,000	None	2005.12.14 Jing-Shou-Zhong-Zi No. 09433351470
2006.02	10	23,000,000	230,000,000	23,000,000	230,000,000	Cash capital increase of NT\$49,800,000	None	2006.04.17 Jing-Shou-Zhong-Zi No. 09532017390
2006.06	10	30,000,000	300,000,000	30,000,000	300,000,000	Capital increase through capitalization of retained earnings of NT\$70,000,000	None	2006.08.15 Jing-Shou-Zhong-Zi No. 09532663490
2007.06	10	40,000,000	400,000,000	40,000,000	400,000,000	Capital increase	None	2007.08.23 Jing-

Year & month	Issuance price (par value per share)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount (NT\$)	Number of shares	Amount (NT\$)	Sources of capital	Use of property other than cash to offset stock dividends	Other
						through capitalization of retained earnings of NT\$100,000,000		Shou-Zhong-Zi No. 09632655140
2009.06	10	44,000,000	440,000,000	44,000,000	440,000,000	Capital increase through capitalization of retained earnings of NT\$40,000,000	None	2007.08.03 Jing-Shou-Zhong-Zi No. 09832777780
2013.09	10	80,000,000	800,000,000	44,000,000	440,000,000	—	None	2013.09.18 Jing-Shou-Zhong-Zi No. 10233900390
2015.08	10	80,000,000	800,000,000	46,200,000	462,000,000	Capital increase through capitalization of retained earnings of NT\$22,000,000	None	2015.8.10 Jing-Shou-Zhong-Zi No. 10433626720
2017.04	10	80,000,000	800,000,000	52,800,000	528,000,000	Cash capital increase of NT\$66,000,000 through first-time over-the-counter	None	2017.5.11 Jing-Shou-Shang-Zi No. 10601061290
2018.02	10	80,000,000	800,000,000	57,800,000	578,000,000	Cash capital increase of NT\$50,000,000	None	2018.02.06 Jing-Shou-Shang-Zi No. 10701013830
2020.03	10	80,000,000	800,000,000	60,300,000	603,000,000	Cash capital increase of NT\$25,000,000	None	2019.03.06 Jing-Shou-Shang-Zi No. 10901030780
2021.03	10	80,000,000	800,000,000	60,590,365	605,903,650	Convertible bonds to shares of NT\$2,903,650	None	2021.04.07 Jing-Shou-Shang-Zi No. 11001048320
2021.06	10	80,000,000	800,000,000	61,817,365	618,173,650	Transferred shares of NT\$12,270,000	None	2021.06.23 Jing-Shou-Shang-Zi No. 11001095320
2021.06	10	80,000,000	800,000,000	62,345,680	623,456,800	Convertible bonds to shares of NT\$5,283,150	None	2021.06.24 Jing-Shou-Shang-Zi No. 11001100380
2021.08	10	100,000,000	1,000,000,000	63,539,943	635,399,430	Convertible bonds to shares of NT\$11,942,630	None	2021.08.30 Jing-Shou-Shang-Zi No. 11001151460
2021.09	10	100,000,000	1,000,000,000	67,539,943	675,399,430	Private placement shares of NT\$40,000,000	None	2021.09.13 Jing-Shou-Shang-Zi No. 11001161580
2021.12	10	100,000,000	1,000,000,000	69,257,151	692,571,510	Convertible bonds to shares of NT\$17,172,080	None	2021.12.06 Jing-Shou-Shang-Zi No. 11001213430
2022.03	10	100,000,000	1,000,000,000	71,075,007	710,750,070	Convertible bonds to shares of NT\$18,178,560	None	2022.03.18 Jing-Shou-Shang-Zi No. 11101045340
2022.05	10	100,000,000	1,000,000,000	71,431,711	714,317,110	Convertible bonds	None	2022.05.30 Jing-

Year & month	Issuance price (par value per share)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount (NT\$)	Number of shares	Amount (NT\$)	Sources of capital	Use of property other than cash to offset stock dividends	Other
						to shares NT\$3,567,040		Shou-Shang-Zi No.11101086670
2023.08	10	100,000,000	100,000,000	75,281,711	752,817,110	Cash capital increase of NT\$38,500,000	None	2023.08.28 Jing-Shou-Shang-Zi No. 11230165570

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

Private placement of securities for 2021

Item	Issue date (delivery date): October 4, 2021					
Type of private placement securities	Ordinary shares					
Date of approval and amount approved at shareholders' meeting	Date of approval at shareholders' meeting: July 15, 2021 Quota: Within 6,000,000 shares					
The basis and rationale for the setting of the price	<p>The price determination date is August 11, 2021. The simple average closing price of the common shares for either 1, 3 or 5 business days prior to the price determination date is \$122.00, \$118.17 and \$116.75, respectively, and the average closing price of \$118.17 for the 3 days prior to the price determination date is used as the basis. The average closing price of the common shares for 30 days prior to the price determination date is also used as the basis, and the higher of the two is used to determine the closing price.</p> <p>Therefore, the average closing price of \$118.17 for the 3 days prior to the price determination date was used as the reference price for the private placement. In consideration of the impact on shareholders' equity, the actual issue price of the private placement was set at NT\$95.00, which is 80.39% of the reference price and not less than 80% of the reference price as resolved at the shareholders' meeting.</p>					
The means of selecting the specified persons	In accordance with Article 43-6 of the Securities and Exchange Act, the selection of specific persons is limited to strategic investors.					
The reasons necessitating the private placement.	<p>The private placement is a swift and convenient method for attracting strategic investors, and the restriction on share transfer during the placement enhances the likelihood of a long-term relationship between the Company and these investors. Allowing the board of directors to conduct private placements as needed increases the Company's ability to quickly raise capital and improves its operational flexibility.</p>					
Date of completion of payment	2021/08/25					
Information on places	Private placement target	Eligibility criteria	Number of subscriptions	Relationship with the Company	Participation in the Company's operation	

	Gudeng Precision Industrial Co., Ltd.	Compliance with Article 43-6 of the Securities and Exchange Act	4,000 thousand shares	Supplier	Juristic person director
Actual subscription price	\$95.00 per share				
Difference between Actual Subscription Price and Reference Price	The actual subscription price is 80.39% of the reference price of NT\$ 118.17.				
Impact on Shareholder Rights of Private Placement	The private placement involves a single juristic person acquiring 4,000,000 shares, equivalent to 5.6% of the Company's current outstanding total of 71,431,711 shares. The strategic investor is expected to secure a seat on the board of directors, subject to no significant changes in management. This investment is expected to benefit the Company through the investor's experience, technology, knowledge, and patents, as well as through increased profitability and market growth via vertical and horizontal integration or joint market development. These actions should reduce costs, improve efficiency, enhance market competitiveness, and reduce operational risks, leading to a positive impact on shareholder equity in the long term.				
Use of private placement funds and progress of plan implementation	The funds raised through the private placement, totaling NT\$380,000 thousand, were utilized to acquire land for plant expansion, repay loans, and address working capital requirements. As of December 10, 2021, the private placement has been fully completed.				
Performance of the private placement	The funds raised by the Company through this private cash capital increase are to replenish operating capital, repay bank loans, and build factories, which can enhance operational efficiency and strengthen the financial structure, thus reserving future funds for flexible use and factory construction to expand production capacity, which has a positive benefit to shareholders' equity.				

(2) Shareholder structure

Base date: April 1, 2024

Shareholder structure Number	Government institutions	Financial institutions	Other juristic persons	Individuals	Foreign institutions and foreigners	Total
Number of shareholders (persons)	0	18	221	29,332	77	29,648
Number of shares held (shares)	0	5,212,861	13,982,848	46,736,532	9,349,470	75,281,711
Shareholding ratio (%)	0.00%	6.92%	18.57%	62.08%	12.42%	100.00%

(3) Diversification of shareholding

Unit: Persons/Shares; Base date: April 1, 2024

Shareholding classification	Number of shareholders (persons)	Number of shares held (shares)	Shareholding ratio (%)
1~999	21,184	460,041	0.61%
1,000~5,000	7,056	12,529,245	16.64%
5,001~10,000	685	5,137,198	6.82%
10,001~15,000	216	2,696,620	3.58%
15,001~20,000	129	2,345,844	3.12%
20,001~30,000	113	2,905,299	3.86%
30,001~40,000	56	1,993,779	2.65%
40,001~50,000	40	1,794,154	2.38%
50,001~100,000	86	5,804,579	7.71%
100,001~200,000	37	4,960,785	6.59%
200,001~400,000	20	5,778,676	7.68%
400,001~600,000	10	5,308,508	7.05%
600,001~800,000	1	687,227	0.91%
800,001~1,000,000	6	5,477,063	7.28%
1,000,001 or more	9	17,402,693	23.12%
Total	23,494	71,431,711	100.00%

(4) List of major shareholders:

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

Unit: Shares; Base date: April 2, 2023

Name of Major Shareholders	Share	Number of shares held	Shareholding ratio
Gudeng Precision Industrial Co., LTD.		4,161,692	5.53%
Royal Max Holdings Limited		2,800,000	3.72%
Yuan Rong Investment Co., Ltd.		2,177,172	2.89%
Suli Investment Co., Ltd.		1,549,713	2.06%
Gudeng Venture Capital		1,491,577	1.98%
SynPower Co., Ltd.		1,420,274	1.89%
Taishin International Commercial Bank Trustee for SYMTEK AUTOMATION Employee Stock Ownership Trust Property Special Account		1,276,599	1.70%
WANG, NIEN-CHING		1,265,422	1.68%
Taishin International Commercial Bank Trustee for SYMTEK AUTOMATION Employee Stock Ownership Trust Property Special Account		1,260,244	1.67%
WANG, XIANG-YU		989,701	1.31%
Total		17,402,693	24.43%

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

Unit: NT\$/thousand shares

Year			2022	2023	As of April 10, 2024
Item					
Stock price per share	Highest		134.50	123.5	135.5
	Lowest		73.00	84.9	101.5
	Average		99.23	105.33	111.89
Net value per share	Before distribution		51.68	54.29	N/A
	After distribution		45.68	48.79	N/A
Earnings per share	Weighted average number of shares		71,432	75,282	
	Earnings per share		9.41	8.89	—
Dividend per share	Cash dividend		6	5.5	—
	Bonus shares	Stock dividend from retained earnings	—	—	—
		Stock dividend from capital reserve	—	—	—
	Accumulated unpaid dividends		—	—	—
Investment return	Price-to-earnings ratio (Note 2)		10.55	11.85	—

Year		2022	2023	As of April 10, 2024
Item				
analysis	Price-to-dividend ratio (Note 3)	16.54	19.15	N/A
	Cash dividend yield % (Note 4)	6.05	5.22	N/A

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

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

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

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

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

Note 5: Price-earnings (P/E) ratio = Average market price / Earnings per share.

Note 6: Price-dividend (P/D) ratio = Average market price / Cash dividends per share.

Note 7: Cash dividend yield rate = Cash dividend per share / Average market price.

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

(6) Dividend policy and implementation status

1. Dividend policy

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

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

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

Unit: NT\$

2023	Board of Directors Approved Date	Dividend payment date	Dividend per Share (NTD)	Dividend total amount (NTD)
First half year	112 年 8 月 11 日	113 年 1 月 2 日	2.84657628	214,295,133
second half of year	113 年 2 月 23 日	Not yet to be decided by the chairman on the base date for dividend distribution.	2.5	188,204,278
合 計			5.34657628	402,499,411

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

(8) Compensation to employees and directors and supervisors

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

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

However, if the Company still has accumulated losses, the Company shall reserve the amount to cover the losses in advance and then allocate the compensation to employees and directors and supervisors in accordance with the aforementioned percentages.

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

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

difference is accounted for as a change in accounting estimate and recorded as an adjustment to profit or loss resolved by the shareholders for the year.

3. Distribution of compensation approved by the board of directors
 - 1) On February 23, 2024, the board of directors approved the proposed distribution of compensation to employees - cash in the amount of NT\$27,000,000 and compensation to directors and supervisors - cash in the amount of NT\$9,000,000, which did not differ from the recognized estimated amount for the year.
 - 2) The amount of compensation to employees distributed in stock to income after tax and total compensation to employees: Not applicable.
 4. The distribution of compensation reported during the shareholders' meeting: The distribution of compensation to employees, directors, and supervisors for 2023 was approved by the board of directors on February 23, 2024 and shall be presented to the shareholders at the regular meeting on May 30, 2024.
 5. The previous year's actual distribution of compensation to employees, directors and supervisors:
 6. In 2022, the actual distribution of employee compensation - cash was NT\$33,500,000, and the actual distribution of director and supervisor compensation - cash was NT\$11,700,000, which were the same as the planned distribution approved by the original board of directors, with no difference from the recognized amount.
- (9) **Buyback of the Company's shares: The first buyback to employees in 2020 was completed: None.**

2. Status of corporate bonds:

- (1) **Bonds outstanding and under processing: None; the first unsecured convertible bonds were fully converted as of the publication date of the annual report.**
- (2) **Bonds due within one year: None.**
- (3) **Convertible bonds issued and convertible into common stock, depositary receipts or other marketable securities:**

Type of corporate bond		2 nd -time unsecured convertible bond		
Item	Year	2022	2023	2024/04/10
Market price of convertible bonds	Highest	—	126.6	117.8
	Lowest	—	110.5	138.0
	Average	—	121.18	125.02
Conversion price		—	115	105.1
Issue date and conversion price at issuance		Date: May 5, 2023 Conversion price: 115 NT\$; Adjust conversion price to \$105.1 on December 12, 2023		
Performance of conversion obligation		Delivered by issuance of new shares		

Details of Convertible Bonds for New Shares

Item		The 2 nd domestic unsecured convertible bonds
Issue date		2023/05/05
Total amount of issuance		300,000,000
Par value per bond		100,000
Issuance price per bond		100,000
Bond maturity date		2026/05/05
Date of conversion		From May 5, 2023 to May 05, 2026
Current conversion price		105.1 NT\$
Not yet converted	Total par value of bonds	300,000,000
	Number of shares (Note)	2,854,424 shares

3. Preferred shares (None)

4. Global Depositary receipts (None)

5. Employee stock options (None)

6. Restricted stock for employees (None)

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

8. Financing plans and implementation

The details of the Company's plan to issue the 2nd unsecured convertible corporate bonds domestically and the cash capital increase plan in 2023 are as follows:

(1) Plan content

1. The company plans to issue the 2nd unsecured convertible corporate bonds domestically and a cash capital increase plan, which was submitted to the Securities and Futures Bureau on March 25, 2023, and was become effective after the application.
2. The total amount of funds needed for this plan: NT\$ 603,300 thousands.
3. The sources of funds for this fundraising plan:
 - 1) The upper limit for issuing the 2nd unsecured convertible corporate bonds domestically is 3,000 units, each with a face value of NT\$100,000, and the total issuing amount is up to 300,300 thousand. They will be issued at 100%~101% of the face value, with a 3-year issuance period and a face interest rate of 0%.
 - 2) A cash capital increase of 3,850 thousand new shares, each with a face value of NT\$10 and a tentative issuance price of NT\$78, is expected to raise a total amount of 300,300 thousands.
4. Use of funds: to repay bank loans and replenish operating funds.
5. The plan's items and the scheduled progress of the use of funds.

Plan Items	Expected completion date	Total amount of required funds	Unit: NT\$ thousands Planned capital usage schedule
			2023

			Q3	Q4
Repay bank loans	Q3 2023	303,000	303,000	
Repay bank loans	Q4 2023	160,000		160,000
Replenish operating capital	Q4 2023	140,300		140,300
Total		603,300		300,300

V. Operational Highlights

1. Business Description

(1) Scope of business

1. Main contents of business
 - A. Mechanical Equipment Manufacturing
 - B. Other Machinery Manufacturing Not Elsewhere Classified
 - C. Electronics Components Manufacturing
 - D. Automatic Control Equipment Engineering
 - E. Machinery Installation
 - F. Wholesale of Machinery
 - G. Wholesale of Other Machinery and Tools
 - H. Wholesale of Electrical Appliances
 - I. Wholesale of Electronic Materials
 - J. International Trade
 - K. Wholesale of Hardware
 - L. All business activities that are not prohibited or restricted by law, except those that are subject to special approval
2. Business ratio

Unit: NT\$ thousands

Main product categories ^{Note}	2023		2022	
	Net Operating Revenue	Percentage of Operating Revenue(%)	Net Operating Revenue	Percentage of Operating Revenue(%)
Substrate (Printed Circuit Board) Automation Equipment	4,102,793	70.61	4,448,863	77.21
Backend (Flat Panel Display) Automation Equipment	223,527	3.85	334,262	5.80
Wafer fabs, (Semiconductor) Automation Equipment	1,483,975	25.54	978,674	16.99
Total	5,810,295	100.00	5,761,799	100.00

Note: The original product name is in parentheses

3. The Company's current main products

Category ^{Note}	Item
IC Substrate BU (IBU) (Electronics Business Unit IBU (EBU))	Includes automation equipment and intelligent logistics systems (AMSH) for the electronic industry, such as printed circuit boards, flex boards, HDI, ceramic substrates, etc.
Backend BU (BBU) (Photovoltaic Business Unit BBU(PBU))	Includes automation, factory logistics, and information integration planning and services for industries such as semiconductor packaging for TFT-LCD, LED, Touch Panel, light guide plates, etc.

Foindry BU (FBU) (Semiconductor Business Unit (SBU))	Includes automation equipment integration planning and services for wafer fab automation logistics systems, automated storage systems, intelligent track vehicle systems, AGV systems, mobile robots, etc.
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Note: The original division name is in parentheses

4. New products (services) to be developed

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

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

- B. AMHS system for high-end board factories

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

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

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

- D. Multi-stage long-travel lifting module

Symtek has optimized the function of our own product, ZIP STK, by applying multi-stage long-travel lifting module to build a segmented structure and extended layer storage structure in limited factory space to increase the flexibility of equipment application and storage capacity.

- E. Development of AMHS-related products for semiconductor fabs

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

(2) Industry Overview

1. Current status and development of the industry

- A. Overview and Future Development of the Printed Circuit Board (PCB) Industry

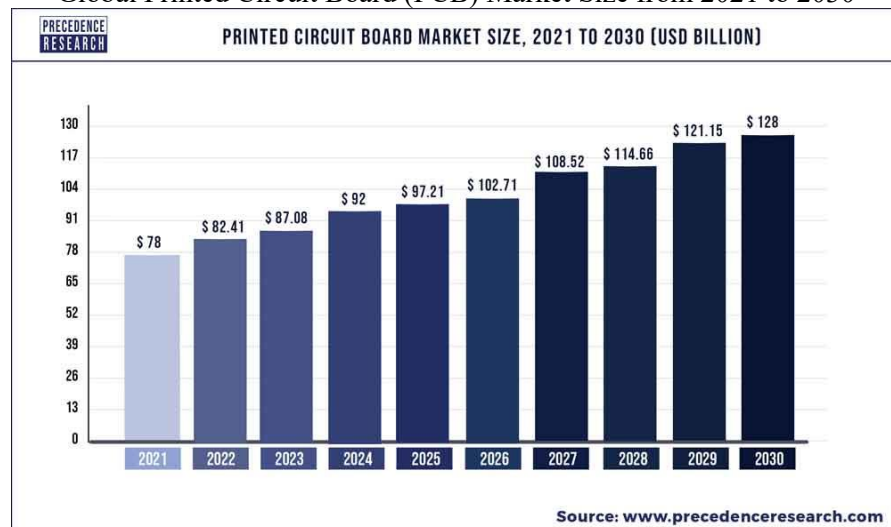
Printed circuit boards are critical components of various electronic products. They serve as carriers for electronic components and facilitate information transfer between components. PCBs are essential for the majority of electronic devices and products. They are widely used in 5G, wearable devices, servers/storage, network communications, industrial instruments, consumer electronics, automotive electronics, and other consumer electronic products.

① Global Overview and Development of the PCB Industry

With the post-pandemic acceleration of investment in 5G communications, electric vehicles, and consumer technology products, the demand for high-

frequency, high-speed computing, and fast charging continues to rise. Leading international companies in upstream sectors such as IC design and photomasks, as well as downstream sectors including packaging, testing, carriers, flex boards, and PCBs, have actively expanded their business layouts in recent years. The global construction phase of 5G communication infrastructure and the gradual development of 5G smartphones will enhance the high-level application and importance of various types of PCBs in the electronics industry. The demand for electronic devices and systems for remote work and home entertainment applications during the pandemic will also drive the continuous growth of various types of PCBs, including servers and wearable devices. According to a PrecedenceResearch report in 2022, the PCB industry is expected to grow at a compound annual growth rate of 5.67% between 2021 and 2030.

Global Printed Circuit Board (PCB) Market Size from 2021 to 2030



Source : Precedence Research(2023)

Due to the pandemic in 2021 and 2022, supply and demand imbalances led to global consumption inflation. In the Post-pandemic era, the world faced the pressure of deplete inventory problems and interest rate hikes to curb inflation. Consequently, the global PCB industry experienced a significant downturn in 2023. According to the Industry, Science and Technology International Strategy Center, the global PCB production value was \$73.9 billion in 2023, declining by 15.6%. Observing the situation in China, Japan, Taiwan, and South Korea, China-funded factories due to the low proportion of PCBs, coupled with the growth of automotive applications against the trend of support, the whole year with a 9% decline better than the global average. In contrast, South Korea, having the highest PCBs proportion focused on consumer electronics memory applications, saw a decline exceeding 20%. Despite the considerable share of PCBs in Japan and Taiwan, their balanced product mix and support from automotive applications led to a decline between that of China and South Korea.

② Overview and Development of the Taiwan Printed Circuit Board (PCB) Industry

The Taiwan PCB industry possesses a complete supply chain and holds a significant position in various global PCB industries. In 2022, Taiwan accounted for approximately 30% of the global PCB market share, making it the largest PCB producer globally. In terms of end applications, PCBs in Taiwan have seen a relatively high and rising proportion used in communication products over the past decade.

Affected by the disappearance of the benefits from the pandemic, the Taiwanese PCB industry, after a year of correction, finally saw the dawn in the third quarter of this year. According to the Taiwan Printed Circuit Association (TPCA), the global output value of Taiwanese businesses reached NT\$207.1 billion in the third quarter, though a year-on-year decrease of 18.4% but for quarterly it increased 22.3%. Hence, there are multiple signs that the decline in the electronic components industry is nearing its end. Throughout 2023, under the impact of negative factors such as weak end-demand, international conflicts, high inflation, and high inventory levels, the annual output value was NT\$778.3 billion, representing a 15.8% decline from the previous year, yet the production value was still slightly higher than the pre-pandemic level of 2020.

Reviewing the performance of the Taiwanese PCB industry in the third quarter, in terms of products, the IC substrate, highly correlated with semiconductors, increased by 11.2% quarterly, but given the high base from the same period last year, it saw a year-on-year decline of 34.3%. After four quarters of adjustment, the annual decline in multilayer boards has significantly reduced to 6.8%, making it the first PCB product to recover from the bottom line.

For flex boards, despite improved smartphone sales, inventory is still being processed, and influenced by poor performance from major laptop clients, the annual output value declined by 22.8%. As for HDI, although there has been a recovery in mobile phones and automobiles, dragged down by laptops and consumer electronics, the overall decline was still 12.2%. Fortunately, the rate of decline has significantly decreased, indicating that HDI is also showing signs of gradually recovery of demand.

B. Current Situation and Development of the Semiconductor Industry

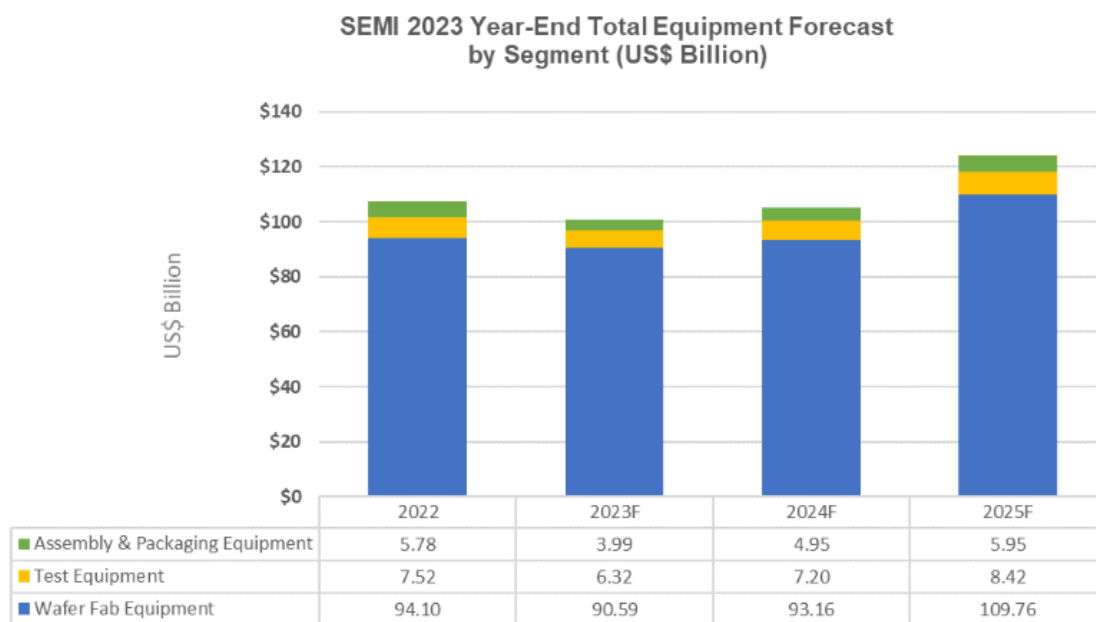
① Global Semiconductor Industry Overview

In 2023, the international semiconductor industry not only faced an unanticipated market for end-use applications, but will also face a longer period of inventory adjustment, as well as the continued rise of the U.S.-China tech war, which obviously made the business environment unfavorable for the industry. Looking back at 2023, the overall semiconductor market experienced a 9% annual reduction, primarily due to the memory product market, which saw a 35% decline. However, a few sectors continued to grow, such as AI-related server GPUs and cloud networking data processing chips, and power semiconductors related to

electric vehicles, like Silicon carbide (SiC) components and silicon-based IGBTs.

Among the top 20 global semiconductor companies, only five are estimated to have achieved positive revenue growth in 2023, including NVIDIA, Broadcom, Infineon, STMicroelectronics, and NXP. The latter three mainly benefited from a high proportion of automotive semiconductors in their revenues, which was the highest growing sector among the five major end-use applications. NVIDIA's growth was driven mainly by AI server GPUs and Data Processing Units (DPUs) for data centers. Broadcom held a high market share in network infrastructure chips and custom AI chips, with steady demand and strong pricing power.

According to the SEMI 2023 report, global sales of semiconductor manufacturing equipment are estimated to reach \$100 billion for the year, a decrease of 6.1% compared to \$107.4 billion in 2022. Back-end semiconductor equipment, including test equipment and assembly and packaging equipment, continued to decline from 2022 due to slowing economic growth and weak semiconductor demand. In 2023, sales of test equipment are expected to decrease by 15.9%, falling to \$6.3 billion, and no positive signs for assembly and packaging equipment, with an estimated shipment value reduction of 31%, dropping to \$4 billion.

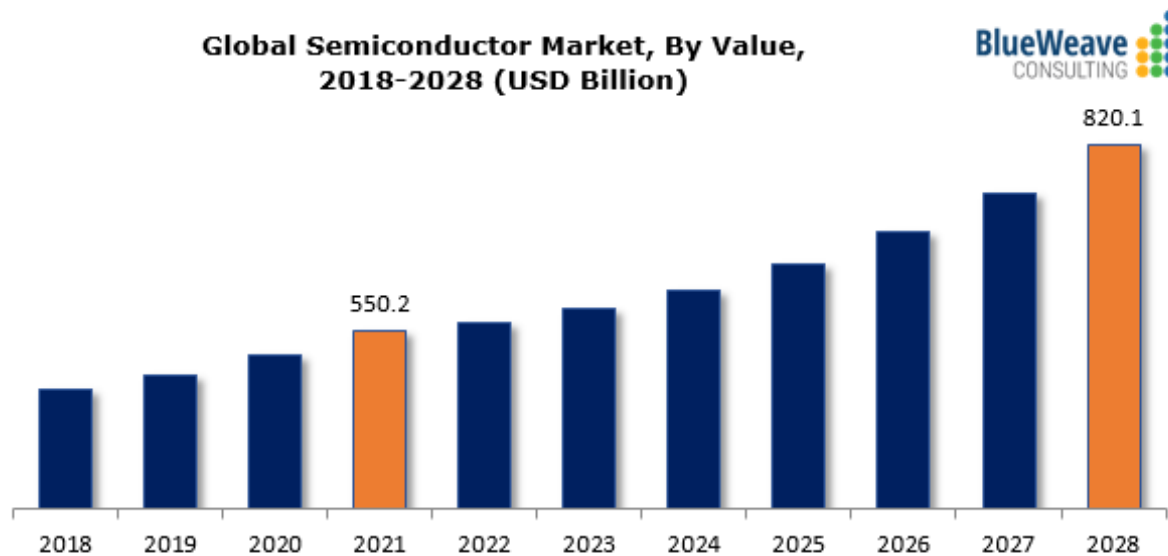


Source : SEMI(2023)

According to a report published in June by North American research firm Precedence Research, the global AI market size in 2023 is valued at \$538.13 billion, with three major sectors each carving out significant shares: the hardware market is valued at \$129.66 billion, accounting for 24.1%; software at \$200.24 billion, representing 37.2%; and services at \$208.23 billion, making up 38.7%. By 2032, the market is expected to reach

\$2.57516 trillion, with a compound annual growth rate of 19%. Market research firm Gartner estimates that the global semiconductor market size in 2023 is \$534.5 billion, with a year-on-year decline of 10.9%; while the value of Taiwan's IC industry is NT\$4.3 trillion, decreasing by 11.2%. As inventory adjustments in the channel draw to a close at the end of 2023, and with end-market demand recovering, driven by applications in AI, 5G, and high-performance computing, Taiwan's semiconductor industry value is expected to reach NT\$4.9 trillion in 2024, growing by 14.1%.

Global Semiconductor Production Value 2018~2028



Source: BlueWeave Consulting

Source : BlueWeave(2023).

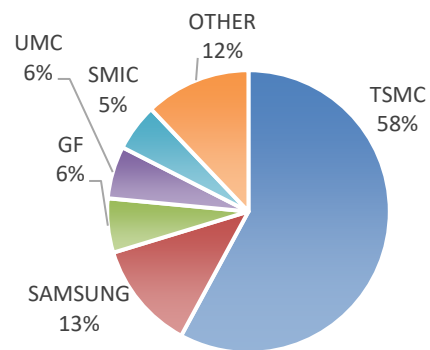
② Taiwan Semiconductor Industry Overview

The Taiwan semiconductor industry still maintains strong competitiveness and continues to be one of the main contributors to the global semiconductor market.

After experiencing a growth trend for eleven consecutive years, with the scale reaching a record high of NT\$4.83 trillion in 2022, in mid-July 2023, the TSIA announced that the annual domestic semiconductor production value would be only NT\$4.22 trillion, with the annual decline rate widening to 12.7%. This not only exceeded the initial expectations but also performed unusually worse than the global market, reflecting a slowdown in the global economic growth rate in 2023 compared to 2022. Moreover, the weakness in end-market demand was greater than initially anticipated, leading to a prolonged period for inventory depletion in the industry. Thus, the domestic semiconductor industry did not show signs of recovery until the third quarter, with very limited visibility in the fourth quarter, naturally leading to a downward revision trend in the overall data of the domestic semiconductor industry. The market had initially expected that the semiconductor inventory of fabless companies would peak in the third quarter of 2022. However, TSMC indicated that the inventory in the fourth quarter of 2022 was still higher than the company's expectations, and the data disclosed by the market in the third quarter of 2023 also corroborated TSMC's observation of continued inventory accumulation. Notably, despite recent instances where LCD driver ICs or memory factories, the first to experience economic downturns, received rush orders, these orders should not be seen as indicators of a bustling market but rather should be seen as concerns about future prospects.

Looking at the individual situations in the middle and later stages, the annual growth rate of our country's semiconductor foundry service industry in 2023 turned to -11.3% from 38.3% in 2022, due to an oversupply in both mature and advanced processes and declining capacity utilization rates. Given the downward pricing pressure on most chips and the less-than-expected resumption of orders from clients in the latter half of the year, the annual growth rate of the integrated circuit design industry in 2023 shifted to -11.6% from 1.4% in 2022. In 2023, the domestic semiconductor packaging and testing industry experienced a decline of more than 10% in production value due to slow inventory depletion in the supply chain and the continued deferral of capacity demand by most customers into the third quarter.

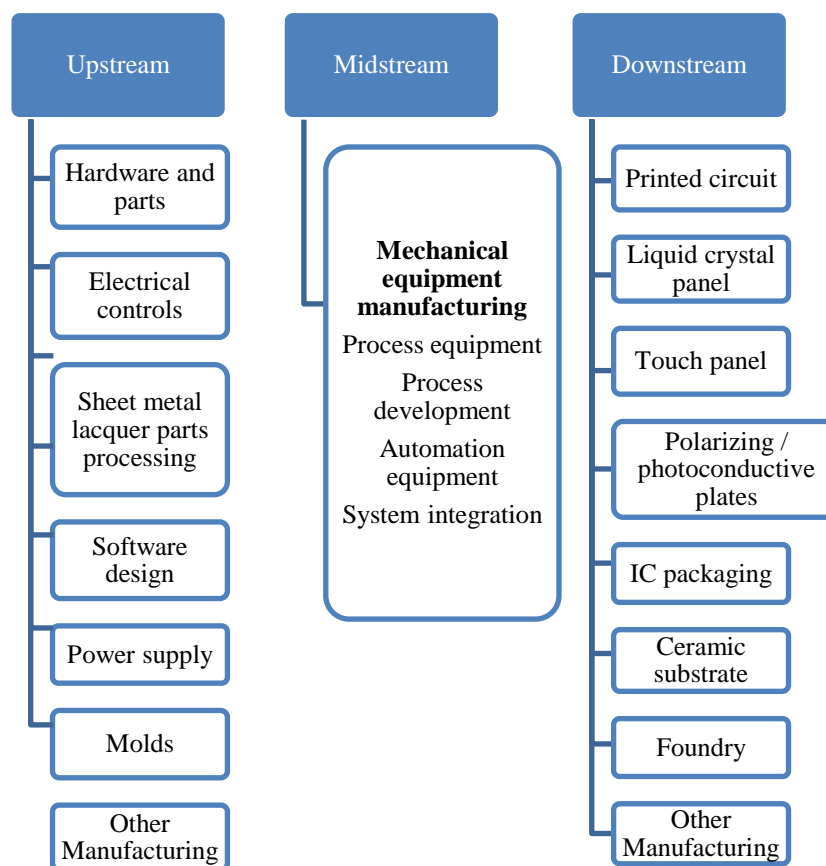
Global Semiconductor Production Market Share to 2023 Q3



Source: TrendForce

2. Correlation between upstream, midstream and downstream industries

SYMTEK and its subsidiaries are professional manufacturers of automated production equipment for printed circuit boards, semiconductors, and flat panel displays. They belong to the midstream of the machinery equipment manufacturing industry. They integrate upstream-related mechanical components and molds to develop and manufacture the mechanical equipment required by various industries, such as board loaders and unloaders, and then sell them to downstream printed circuit board industries, semiconductor industries, display panel industries, and touch panel manufacturers. The diagram of the upstream, midstream, and downstream industries related to the Company is explained as follows:



3. Various development trends of products

1) Intelligent machinery promotes digital transformation

Global companies are accelerating the pace of digital transformation due to the pandemic, so the machinery industry must help customers construct appropriate digital application solutions, including (but not limited to): remote operation of assets in harsh environments, coordinating machine operation to increase output, reducing machine downtime, real-time machine monitoring, understanding the health status of asset equipment, and identifying potential early machine failures. To meet the demands of policies, customers, investors, and the public to reduce carbon emissions and environmental impact, machinery manufacturers need to

actively assist customers in achieving energy-saving and carbon reduction targets from the aspects of equipment and process applications, while also avoiding the trade barriers derived from net-zero carbon emissions.

In the face of the aforementioned environmental trends and continuously changing customer needs, the main strategy for machinery manufacturers is to accelerate the development of intelligent machinery products and application solutions that combine various emerging ICT and intelligent technologies. Compared to traditional machinery products, intelligent machinery, after integrating ICT and data science, has characteristics such as perception and real-time data acquisition, data modeling and analysis prediction, assisted and autonomous decision-making, simulation and control optimization, intelligent human-machine interfaces, etc., thus it can provide value-added functions such as state monitoring, predictive maintenance, process simulation, etc., and assist customers in creating new value.

2) The development of Internet of Things (IoT), Cloud, and Artificial Intelligence (AI) technology

More than 50% of the transactions in Taiwan's intelligent manufacturing sub-sectors involve investments in IoT, Cloud, and AI technologies. More than 50% of the funding goes into these technologies as well as cybersecurity. This pattern is very similar to the trends in the domestic and foreign markets. Although most manufacturers have gradually adopted automation, the speed of smart adoption lags far behind the pace promoted in the era of Industry 4.0. According to Lee Li-ren, partner at IBM Global Business Consulting Services, there are four major challenges to the development of smart manufacturing in Taiwan: Automation is not the only solution, an overall structure and integration of new technologies is required. The scale of AI economy and benefits; although recognition systems can detect quality and improve efficiency, they cannot be fully replicated in the production line. The threshold of new technology introduced by talents and old systems. Vertical integration and horizontal diffusion. The above problems highlight not a lack of willingness to adopt new technologies, but the challenges and difficulties faced in adoption. In addition, as smart manufacturing scenarios are diverse, startup companies are actively developing emerging technologies to find solutions. If manufacturers and emerging technology companies can effectively cooperate, it is believed that they can drive the development of the smart manufacturing market in the future.

3) The trend of the globalization and dispersion of the PCB supply chain

The trend of the globalization and dispersion of the supply chain is becoming more apparent under the chip ban. China is actively boosting its own supply chain, while Europe, America, Japan, and South Korea are actively moving towards Southeast Asia or other places. The Taiwan-based substrate manufacturers have somewhat eased in Taiwan, but are also considering overseas expansion. As new demands continue to emerge globally, the business for equipment manufacturers remains robust.

The regional economy has become a spotlight and represents the next wave of growth momentum. The trade war, pandemic lockdowns, dual control of energy

consumption, and the recent rise in labor costs in China are factors contributing to the diminishing production advantages in China. This has led to a clear increase in demand for supply chain relocation to Southeast Asia, where numerous manufacturers in the PCB supply chain have already established new plants. The benefits of this shift are expected to become increasingly evident in the next few years.

4. Product Competition

The Company is the largest manufacturer of PCB automation equipment, and our business scope also covers industries such as flat panel displays and solar energy. Most of our competitors in each industry mainly focus on process equipment. Because there are many types of automation equipment and the unit price is relatively low, most peers are unwilling to invest resources in development. Therefore, we are the supplier that matches the process equipment for our customers. Other peers that operate in the board receiving and sending machine industry cannot compare with the Company. Furthermore, the robotic arms developed by the Company have not been replicated by any competitor. As our strategic transformation in recent years, our equipment sales thinking has gradually moved towards high-level automation, system integration solutions, and intelligent software. Based on our past single-machine successes and passion for equipment service, we have established deep and mutually trusting relationships with our customers. As we have a successful product layout in the semiconductor industry equipment, we are expected to enhance our own automation design capabilities and industry standards, and we are eager to lead in defining standards. Therefore, we believe that we can maintain a long-term advantageous position in industry competition.

The Company has accumulated 178 valid patents, using the patent layout to protect the new products developed by R&D. They are widely used in the modular mechanisms developed by Symtek, enjoying economies of scale, and peers cannot replicate or enjoy cost advantages.

(3) Technology and R&D Overview

1. The Company's technology level and R&D

A. Technology

The Company has made significant strides in research and development, having filed for 368 patents, with 341 of them being approved. We've been honored twice with the "Ministry of Economic Affairs SME Innovation Research Award" and awarded the "Potential Mid-level Enterprise" by the Ministry of Economic Affairs. The Company has accumulated numerous technical patents and practical experience, serving a large number of long-term clients. In recent years, we have successfully entered the list of equipment vendors for semiconductor wafer foundries and packaging and testing factories, receiving considerable recognition from our customers at the technological level.

B. R&D

a. Robotic arm application in the automation system for PLASMA processes

With the advent of the 5G era, the PCB industry has shifted to using robots instead of manual labor. The Company, Rapid, has addressed the time-

consuming and laborious manual work in the Plasma process, with product quality inconsistencies. We've integrated an automation system to improve the production capacity and yield of PLASMA processes comprehensively. Establishing a smart unmanned factory with AMSH in tandem with an automation system to respond to industry trends such as low birth rates and labor shortages.

- b. Establishing a smart unmanned factory with AMSH in tandem with an automation system to respond to industry trends such as low birth rates and labor shortages.
- c. Development of various smart production software systems
For instance, WIP (Work in Progress) warehouse management system, intelligent dispatch system, material identification system, image automatic alignment inspection software, real-time monitoring and production information management system, etc.
- d. Development of AMHS for advanced semiconductor processes
Develop more complete variety of storage and logistics systems for advanced wafer factories.

2. R&D staff and their academic experience

Unit: People

Education \ Year	As of the end of 2023			
	Number of people	%	Number of people	%
Ph.D.	2	0.19	1	0.32
MA	83	8.02	48	15.29
University	856	82.71	248	78.98
Senior High school	94	9.08	17	5.41
Total	1035	100	314	100

3. Research and development expenses invested in the last 2 years

Unit: NT\$ thousands ; %

Item \ Year	As of the end of 2021	As of the end of 2022
R&D expense	314,596	344,616
Net operating revenue	4,905,620	5,761,799
R&D expense as a percentage of net operating revenue	6.41%	5.98%

4. Successful technologies and products developed in the last 3 years

Year	R&D Results
2021	iVision intelligent single/double vision alignment, optical automatic feedback adjustment and cross-system mobile robot Control and IoT Development of wireless control and transmission systems Single-axis transmission robot development Thin Foup conveyor & rotary transmission device Self-maintenance backend of visualization monitoring platform MES production line AI-ML data predictive universal module WMS line-side warehouse management system (cross-warehouse, cross-floor control; integrated AGV operations; support for handheld mobile devices) IEM V2.0: supports single equipment PLC multi-one connection control (three-to-one) Development of backend carrier for IC substrate Development of backend carrier equipment suitable for IC substrate Development of low dust suction cup module for IC substrate Development of six-axis correction system for PCB loaded with backlight vision
2022	Large standard warehouse for wafer boxes Micro-warehouse system for chemicals in wafer factories Dust-free room wafer box transfer box Backend packaging - dual-axis arm configuration Lifter Backend packaging - Magazine Zip STK (docking montrack) Backend packaging - Montrack track avoidance system Articulated dust-free fork for medium-sized PCB storage (suitable for storage below 250kg) Energy industry (reel type) lithium battery automatic cutting alignment adhering carrier module AMHS - RGV single-axis system control and dual-axis simultaneous motion

Year	R&D Results
	development AMHS - RGV Mission Dispatch system development (RGV task dispatch system development) AMHS - Intelligent Logistic Integration System development (smart logistics integration system development) AMHS - Intelligent warehouse control integration system Wafer carrier transport system (OHCV) Advanced circuit board transfer transport Dual Arm Robot development Peeling & Flip module development for semiconductor nano-imprint process Inspection automation equipment suitable for IC substrates Laser packaging automation equipment suitable for IC substrates Laser edge sealing automation equipment suitable for IC substrates Copper stripping and hanging AGV logistics handling equipment suitable for IC substrates Quadrant classification automation equipment suitable for backend of IC substrates EFEM automation equipment suitable for backend of IC substrates
2023	RGV logistics handling automation equipment suitable for backend of IC substrates IPQC inspection automation equipment suitable for IC substrates Backend of IC substrate - Magazine Zip STK (docking montrack) Development of carrier equipment suitable for PCB thick substrate Solder-proof printing and exposure process automation equipment suitable for FPC substrate Development of RGV/AGV fleet management system Development of RGV/AGV upper-layer communication control system Development of RGV/AGV equipment communication control system Development of RGV/AGV situational display system Development of RGV/AGV material management system Development of AGV task control system High-efficiency cleaning machine suitable for semiconductor fab's FOUP Airtight cage cart suitable for FOUP transfer between semiconductor fabs Fully automatic FOUP loading/unloading workstation suitable for semiconductor fab's airtight cage carts Near Tool Buffer (NTB) platform suitable for temporary storage of wafer boxes Hoist mechanism suitable for wafer box handling and transfer Micro-storage system suitable for micro-contamination prevention in wafer fabs (N2 purge) Storage system development suitable for photomasks in advanced wafer manufacturing processes Micro-storage suitable for photomask boxes in wafer fabs Micro-storage suitable for cassettes in semiconductor back-end packaging

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

1. Short-term business development plan

A. Sales strategy

- a. Innovate product features, raise brand awareness and value, and strive for recognition from more international brands.
- b. Continually strengthen operational functions across all departments,

- improving overall revenue.
- c. Aggressively explore different intelligent automation markets in various industries to increase market share.
- d. Elevate customer reliance and product value through customized services.
- B. Production strategy
 - a. Quality is the outcome of design, manufacture, and management.
 - b. Do not accept, produce, or outflow defective items.
 - c. Quality improvement is a never-ending activity for everyone.
 - d. Actively engage in the production of new products.
- C. R&D strategy
 - a. Continually expand overall solutions for intelligent manufacturing in the PCB industry.
 - b. Enhance the completeness of AMHS products in the semiconductor wafer industry.
 - c. Elevate the precision level of components.
 - d. Use Taiwan as the core for technology and product development in the R&D center.
- D. Operational strategy
 - a. Cultivate talent and training, attract superior talent, and strengthen professionalism and work attitudes.
 - b. More effectively control operational risks, diversifying industries and clients.
 - c. Enhance product value with innovation, plan product combination ratios, and increase gross profit.
 - d. Set corporate sustainability as the operating goal, build a happy enterprise, and place employees in the right roles.
- E. Environmental and Occupational Safety and Health Policy
 - a. Provide a higher quality and healthier working environment to achieve zero accidents and zero incidents.
 - b. Protect the environment and conserve energy.
 - c. Comply with laws, implement risk management, prevent pollution, and implement 6S activities.
 - d. Environmental safety is a never-ending activity for everyone.
- 2. Long-Term Business Development Plan
 - A. R&D strategy
 - a. Innovating product and technology development to enhance added value: Technology development for failure prediction, quick shelter construction techniques, intelligent wireless communication technology for sports carriers, AI technology applications, etc.
 - b. Collaborate closely with upstream, midstream, and downstream manufacturers for cooperative development and mutual growth.
 - c. Improve software development capabilities and play the role of an integrator through strategic collaborations with industries, government, and academia.
 - B. Marketing Strategy
 - a. Market our own brand SAA globally to increase brand awareness and value, and gain recognition from more international brands.

- b. Increase the sales ratio of semiconductor products to generate higher gross profit.
 - c. Get close to target customers, discover customer needs, and enhance overall revenue.
 - d. Establish a PCB smart manufacturing ecosystem alliance to quickly introduce industrial upgrades.
- C. Operational strategy
- a. Cultivate talents.
 - b. Enhance technical abilities.
 - c. Manage risks.
 - d. Increase gross profit.

2. Market and Production Overview

(1) Market Analysis

1. Main product (service) sales (provision) regions

Unit: NT\$ thousands

Year Region	2023		2022	
	Amount	%	Amount	%
Export	2,112,817	36.36%	2,739,870	47.55%
Domestic Sales	3,697,478	63.64%	3,021,929	52.45%
Total	5,810,295	100.00%	5,761,799	100.00%

2. Market Share

SYMTEK and its subsidiaries are professional manufacturers of printed circuit boards, optoelectronic displays, semiconductors, and solar energy automatic board handling equipment, among other automated production equipment. The company's estimated market share of its main products is as follows:

UNIT: NT\$ thousands ; %

Year Item	2021	2022	2023
Operating revenue (A)	4,905,620	5,761,799	5,810,295
Sales value of manufacturing equipment for electronics and semiconductors (B)	160,981,262	183,069,892	Note
Approximate market share (%) (C)=(A)/(B)	3.05%	3.15%	Note

Source: Provided by the Company; Symtek's audited consolidated financial statements from 2021 to 2023; ITIS industry database (2023).

Note: As of the date of publishing of the annual report, the data in 2023 has not been announced.

Currently, the Company is a manufacturer of automated board handling equipment in Taiwan. Due to the wide scope of our operations and the broad range of product applications, including printed circuit boards, flat panel displays, semiconductors, etc., the market share for 2021-2023 is approximately 3.28% and 3.49% respectively, based on the company's overall revenue estimation. The future growth potential is expected due to the emerging capacities of IoT, high-end computing, 5G communication, electric vehicles, low-orbit satellites, the warming up of the semiconductor industry, and the government's promotion of Industry 4.0.

3. Market Future Supply and Demand Status and Growth

A. Demand

Considering the rapid evolution and fierce competition in the electronics industry, advanced board factories must strive to improve the quality and yield of high-difficulty products. The demand for automated equipment and the creation of Industry 4.0 smart factories are crucial to enhance competitiveness. For corporate customers, machinery and equipment are considered revenue-generating tools (fixed assets). Whether as equipment agents or manufacturers, in pursuit of competitive advantages, substantial funds are allocated for the acquisition of process equipment. Normally, more competitive companies would invest more to purchase higher quality and more efficient machinery and equipment. They may even collaborate with equipment suppliers to co-develop new process technologies and equipment, creating product with higher value to meet the challenges of the fierce competitive environment. Moreover, compared to companies that do not continue to have investment in equipment and technology for growth, the competitive gap is gradually widen.

B. Supply

The Company leads the circuit board industry in terms of technology and quality. We were the first to apply our self-developed low-dust Robot system to board handling equipment (this related product won the 15th Innovation Research Award). The modular design of the mechanism reduces production costs, increases efficiency and stability, especially in terms of production speed and cleanliness, which are highly valued by advanced board factories. We have significantly widened our lead over competitors by co-developing new-generation Panel Tray process technology with customers.

The Company, in accordance with the Industry 4.0 program proposed by the Department of Industrial Development, Ministry of Economic Affairs, in 2014, became a registered qualified automation supplier for the same department. We strategically collaborate with major manufacturers like Hiwin and Advantech to rapidly expand our enterprise resources, to quickly provide the most effective service and meet customer needs. We've also established an intelligent

software department that integrates vision systems, wireless communication technology, and big data processing capabilities. In combination with our self-developed 6-axis robots, AGVs, and RGV intelligent single-track logistics systems, we have moved from single-machine automation and line automation to the development of intelligent factories for whole and cross-factory processes. We've become a professional manufacturer upgrading to Industry 4.0 in both the PCB industry and the semiconductor packaging industry with significant achievements.

4. Competitive Advantages:

- A. We have a strong design and development capability and integration ability, actively grasping the latest market information and developing trend-related products and interfaces. We provide customers with diversified products and support strategic alliance partners and cooperative manufacturers to increase market sales value.
- B. We offer comprehensive after-sales service and instant onsite service, quickly providing "local service" and developing automated services to meet customer needs in the shortest time, saving customer costs and enhancing customer satisfaction.
- C. Our exceptional product quality has won various patents and received enthusiastic confirmation and feedback from domestic and foreign customers, especially our modular low-dust products, which have a competitive advantage.
- D. We have set up processing units and implemented vertical integration to significantly improve efficiency and reduce production costs.
- E. We have established a brand image of high stability, high efficiency, and high cleanliness.
- F. We have expanded internships and industry-academia collaboration, planning ahead for talent cultivation and attracting professional talent.

5. Favorable and Unfavorable Factors and Countermeasures for Future Development:

A. Favorable factors:

- a. The market for consumer new products and IoT drives the PCB industry
Under the analysis of the overall industrial development elements, Apple's new products, the increasing demand for wearable devices, and

the expanding market for IoT are considered important factors to promote the growth of the PCB industry. It's worth noting that compared to the last survey, the importance of the rapid rise of Chinese brand mobile phones in the PCB industry chain has decreased. Whether this has a positive correlation with the exclusion of the red supply chain requires further observation. On the other hand, in terms of negative growth factors for the PCB industry, China's economic growth not meeting expectations, the slowing sales of high-end smartphones, and the rapid decline in PC market demand are the three most important factors. Surveys show that the Taiwanese PCB industry chain relies on the mainland Chinese and American markets. Apple products have considerable support for the overall market, but when sales of high-end smartphones slow and the PC market is nearing saturation, Taiwanese businesses need to have a sense of crisis. Only by rooting in a complete supply chain, exploring global partners, managing effectively to increase profitability, and investing in R&D to accumulate innovative capabilities, can they become part of the minority of groups improving in a slowly recovering global situation. (TPCA Quarterly)

SYMTEK's market positioning targets the needs for automation in high-end PCB manufacturers and leading publicly listed companies. These companies plan their capital expenditure and equipment upgrade needs based on their growth requirements, and SYMTEK has been consistently accompanying these flagship manufacturers. Based on trends and industry analysis, SYMTEK develops innovative products that meet these trends. Not only does it cater to the demands for diversified customizations in small quantities through a modular strategy, but it also develops niche products to create added value.

The main customers of the Company had a capital expenditure scale of 50 billion Taiwan dollars in 2016, mainly used for expanding production capacity, regular capital expenditure, and process conversions. The investment in Taiwan was relatively more than that in mainland China, still focusing on HDI and Integrated Circuit (IC) substrates, indicating that the demand for high-end products continues to grow.

b. Key technology and capability

The Company leads the PCB industry in technology and quality. We use low dust Robot systems in board handling equipment and use modular designs to lower production costs and increase efficiency and stability. We

can easily meet the high standards of high-end PCB factories in terms of production speed and cleanliness. We also develop the new generation Panel Tray process technology in collaboration with our customers.

Symtek is good at improving relatively inexpensive products into high-end applications, creating replacement or pioneering products. For example, introducing the Intelligent Single Track Intelligent System (RGV) of Montrac company from Switzerland, combining the company's automation capabilities, and starting to lay out unmanned handling systems in semiconductor packaging and testing factories. Currently, it is applied in well-known packaging and testing factories in Taiwan.

Symtek is adept at developing dedicated products, replacing expensive automation products, and launching the first specialized Robot for PCB. Since developing its single-axis and double-axis robot in 2007 and cooperating with OnRobot to develop a 6-axis robot, Symtek has provided the most appropriate products for industries that do not require extremely high precision, to date no competitors can match. (The board handling equipment that uses a 3-axis Robot won the Ministry of Economic Affairs Innovation Research Award in 2008), and in 2018, it improved and introduced applications in semiconductor wafer factories, becoming the first domestic supplier to enter the semiconductor clean room.

c. Use of external resources to quickly meet customer needs

The Company prioritizes thinking from the customer's perspective. Each business division has a strong dedicated customer service and technical department. We provide close proximity service to our customers and have earned our customers' trust through our timely 7/24 professional service. We continually offer new products with development advantages to our customers, accumulate maximum corporate resources, develop new process technologies and equipment in collaboration with customers, combine school resources (industry-academia cooperation) or partners of strategic alliances. Using a team cluster mode, we jointly develop product combinations, exclusive agents, etc., to increase product visibility, expand market territories, and enhance each other's technical capabilities, creating a win-win situation.

B. Disadvantages and responses

a. Global economy recovery after the pandemic and the prolonged regional

conflicts continue to present economic risks

In 2023, influenced by high interest rates, high inflation, and China's post-pandemic economic performance falling short of expectations, global end-product demand weakened, leading to a slowdown in manufacturing activities worldwide. Furthermore, the expansion of the US-China semiconductor ban, the ongoing Russia-Ukraine war, and the Israel-Hamas conflict have intensified global geopolitical tensions, impacting the global economic development and social stability.

In Taiwan, the domestic service sector expanded in the post-pandemic era, with noticeable improvements in retail, tourism, and transportation compared to 2022. However, the slowdown in global trade expansion not only impacted Taiwan's exports and foreign sales orders but also affected corporate investments, leading to consecutive economic decline in the fourth quarter of 2022 and the first quarter of 2023, with a recovery only in the second quarter. In terms of fixed capital formation, major countries' significant interest rate hikes throughout 2023 dampened global economic demand. Industries actively depleted inventories, causing a sharp decline in investment demand and a sluggish performance in private investments for the year.

In the equipment market, despite the end of the pandemic-driven replacement wave and weakening international economic conditions affecting high-end semiconductors and substrate factories, the demand for end-consumer electronics products declined. Inventory depletion issues that began in 2022 persisted until the end of 2023, continuously affecting customers' investment plan and willingness to invest in equipment.

Response strategies:

- ① The overall market strategy of the company is to layout towards intelligent semiconductor manufacturing, adjust the organization and strengthen the management of organizational talents to maintain the existing competitiveness. Adjust sales strategy and profitability to maintain a high growth rate.
- ② Going international, forming strategic alliances with high-level IC carrier factories and world-class equipment manufacturers. Under the wave of de-Sinicization and the transfer of world factories and localized production, they will jointly develop markets in developed countries such as Europe, America, and Japan to increase global visibility.

Understand the credit status of customers to reduce the risk of bad debts.

Actively develop the demand for the smart manufacturing market, reduce the industry's demand for labor with smart manufacturing, and increase the yield rate and industry competitiveness, which is the current trend of industrial development.

③ Strengthen process management capabilities, increase yield, and reduce production costs.

④ Layout the semiconductor market with a more complete product line.

b. Negative Factors in China's Economy Restrict Taiwanese Equipment Market

The intensifying tech war between the U.S. and China, according to semiconductor industry players, has led international clients such as the U.S. to urge suppliers to shift their production capacity out of China. China's zero-COVID policy has rapidly cooled domestic demand, and with the U.S. expanding its ban, Chinese factories' production rates have become unstable. Coupled with China's aggressive establishment of an independent supply chain, IC testing factories have seen decreasing local customer orders year by year. Foreign companies, including Taiwanese ones, from front-end foundries to back-end packaging and testing factories, should maintain existing capacities, or even reduce them, unless there are special technological considerations, and will not expand production in China.

Response strategies:

① Respond to China's autonomous semiconductor progress, proactively layout semiconductor production lines and markets in China.

② Accelerate the R&D of standardized semiconductor products to reduce costs and equipment prices.

③ Enhance the order-taking ability of the Dongguan subsidiary for Chinese businesses.

④ Strengthen process management and R&D capabilities to improve yield and technical advantages.

⑤ Proactively layout in the automated industrial markets of multiple countries, not solely reliant on the Chinese market.

c. Long-term Risk Trends of Production Elements

Due to factors such as Taiwan's semiconductor magnet effect, youth generation mindset shift, and the changes in labor market work values caused by the pandemic, there has been an increase in labor shortages and recruitment competition. There have been instances where production cannot fully cooperate despite having orders. In terms of raw materials, while inflation, interest rate hikes, and supply chain interruptions don't pose major problems for production, the gradually increasing cost of raw materials and sporadic supply inadequacy do pose a risk to production and should be prepared for.

Response strategies:

- ① Enhance corporate competitiveness and brand recognition, and attract more talents to work and stay in the industry through strengthened recruitment.
- ② Expand industry collaboration plans to create additional value for talent.
- ③ Develop diverse and inclusive talent policies and continue to strengthen education and training.
- ④ Plan early for key components to maintain the interchangeability of components through modular design.

(2) Important uses and manufacturing process of main products.

1. Important Uses:

Item	Important use and function
IBU (EBU) Automated Equipment	Including complete process automation equipment for printed circuit boards, including horizontal throw and receive machines, vertical frame receive and place machines, turning machines, inter-board spacing control machines, temporary storage machines, flipping machines, and transport transfer machines, etc.
BBU (PBU) Automated Equipment	Including orientation film friction inspection machine, packaging machine, array testing machine, depaneling machine, glass substrate handling machine, glass machine board packing machine, water glue machine, glass machine board conveyor, electrical tester, and water washing machine, etc., flat panel display, automation equipment for IC packaging, terminal plug-in machines for electronic assembly, bending and bonding machines, etc.
FBU (SBU) Automated Equipment	Including intelligent automation, whole factory logistics, and information integration planning and services for industries such as semiconductors, semiconductor wafer factories, etc. Planning and services for logistics integration of automated storage

Item	Important use and function
	<p>systems, intelligent track vehicle systems, and automated guided vehicle systems.</p> <p>Including wafer receiving and placing machines, automated storage systems, intelligent track vehicle systems, automated guided vehicle systems, mobile robots, etc. for logistics integration planning and services, and other automation equipment.</p>

2. Production Process :

生產流程圖



3. Main Raw Material Supply Situation

Main raw materials	Main suppliers	Supply situation
Robot arm	Century	Good
Motor	Oriental Motor, Nikko, Proficient, Benxin	Good
Programmable controller	Riyuan, Keens	Good

Rack	San-Xin, Wei-Sheng, Hong-Sheng, Jie-Bang, Si-Li	Good
Bearings, cylinders	Adek, SOMUHI, CKD, CHI-LI	Good
Sheet metal parts	Shuangmei, Wui Hong, Xin Liaodong, Jingtai, Beadle	Good
Slide module	Dong You Da	Good
Processed parts (milled parts)	Jin Xiangshun, Qinghe, Junzheng	Good

4. Customer that accounted for over 10% of total purchases (sales) in any of the recent 2 years

1. Main purchasing customer

Unit: NT\$ thousands

Item	2022				2023			
	Name	Amount (NT\$)	Ratio of the annual net purchase amount	Relationship with the issuer	Name	Amount (NT\$)	Ratio of the annual net purchase amount	Relationship with the issuer
1	E Company	273,097	6.96	None	UL Company	156,218	7.26	None
2	Other	3,650,556	93.04	No	Other	1,995,026	92.74	No
	Net purchase	3,923,653	100.00		Net purchase	2,151,244	100.00	

Description of change: In 2023, ZD Group's equipment is mainly assembled with the assistance of UL, and E Company drops to the second place, which is not shown because it does not reach 10%.

2. Main selling customer

Unit: NT\$ thousands

Item	2022				2023			
	Name	Amount (NT\$)	Ratio of the annual net sales amount	Relationship with the issuer	Name	Amount (NT\$)	Ratio of net sales amount in the first quarter of 2021	Relationship with the issuer
1	U Customer	961,165	16.68%	None	T Customer	785,599	13.52%	None
2	LT Customer	784,459	13.61%	None	NY Customer	573,484	9.87%	None
3	Other	4,016,175	69.71%		Other	4,451,212	76.61%	
	Net sales	5,761,799	100.00%		Net sales	5,810,295	100.00%	

Description of change: The main changes are due to annual sales customer capital expenditure expansion needs.

5. Production value of the last 2 years

UNIT: set ; NT\$ thousands

Main Product \ Production Value	Year	2022			2023		
		Capacity	Output	Production value	Capacity	Output	Production value
Semiconductor substrate - printed circuit board automation equipment		Note	3,126	4,448,863	Note	2,883	4,102,793
Semiconductor packaging and testing - liquid crystal panel automation equipment		Note	28	334,262	Note	19	223,527
Semiconductor wafer - semiconductor automation equipment		Note	291	978,674	Note	441	1,483,975

Note: The automated process equipment produced by the Company is produced according to customer requirements. The Company mainly masters key technologies. The components required for each system are different, and its production data are not comparable, so they are not listed.

Analysis of changes: The main reason was that the shipments of semiconductor wafer fabs increased significantly due to the rising demand for automation equipment for fab expansion, while the overall shipments of carrier board customers decreased in 2023 due to the decline in demand from the end market.

6. Sales value of the last 2 years

Unit: NT\$ thousands

Main Product \ Sales value	Year	2022				2023			
		Domestic Sales		Export		Domestic Sales		Export	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Printed circuit board automation equipment		1,528	2,044,823	1,598	2,404,040	1,587	2,283,204	1,296	1,819,589
Liquid crystal panel automation equipment		22	267,784	6	66,478	17	199,651	2	23,876
Semiconductor automation equipment		208	709,322	83	269,352	340	1,214,623	101	269,352
Total		1,758	3,021,929	1,687	2,739,870	1,944	3,697,478	1,399	2,112,817

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

Year	2022	2023	March, 2024
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Number of employees	Managerial officer	58		62		62	
	General staff	646		665		683	
	Production line employees	327		308		300	
	Total	1,031		1,035		1,045	
Average age		33.7		34.38		34.435	
Average years of service		5.16		6.05		6.15	
Education distribution ratio	Ph.D.	1	0.10%	2	0.19%	2	0.19%
	MA	82	7.95%	83	8.02%	86	8.23%
	College	702	68.09%	652	63.00%	661	63.25%
	Senior High school	210	20.37%	204	19.71%	203	19.43%
	Below high school	36	3.49%	94	9.08%	93	8.90%

4. Environmental Expenditure Information

- (1) The total amount of losses and fines suffered due to pollution in the most recent fiscal year and up to the date of the annual report printing (none).
- (2) Future countermeasures and possible expenditures (not applicable).

5. Labor Relations

- (1) Measures for employee benefits, further education, training, retirement system and its implementation, as well as agreements between labor and management and measures for maintaining employee rights and interests.

1. Employee benefit measures

- 1) In accordance with the Employee Welfare Fund Act, we provide welfare funds for various welfare matters such as: marriage, funeral, holiday gifts, childbirth, hospitalization, major disaster subsidies, and annual employee travel subsidies. In addition, once a year, self-improvement activities and year-end parties are extended to employees and their families for free participation.
- 2) According to regulations, labor retirement reserve funds are allocated to manage various matters of employee retirement reserves.
- 3) The Company also insures labor and national health insurance in accordance

with government regulations, and for the safety of employees, it additionally insures group insurance to protect employees and provide more benefits to employees.

- 4) In accordance with the Employee Benefit Trust Plan Committee Charter, the company allocates bonus money and implements an employee stock trust plan.
- 5) Each employee is given a one-day birthday leave and a birthday coupon.

2. Further education and training

In response to the needs of colleagues and in line with relevant regulations, we hold various types of education and training such as employee education training, professional technical training, quality control training, employee growth-related training, and labor safety and health lectures to provide employees with complete professional skill development and personal growth.

We have currently sent 23 executives and R&D personnel to Chung Yuan Christian University and Yuan Ze University to attend graduate school, and subsidized 8 executives to study at Yuan Ze University's Graduate Institute of Management, continuously developing talents and managerial training, laying a foundation for future enterprise expansion.

3. Retirement system

The Company has established an employee retirement regulation in accordance with the Labor Standards Act. Each month, a retirement reserve is allocated based on the total salary and deposited into a special retirement fund account at Bank of Taiwan. The Labor Pension Act was implemented on July 1, 2005, and after adopting the defined contribution system, our employees can choose to apply the retirement pension regulations related to the "Labor Standards Act" or the pension system of the Act and retain the years of work before the Act. For employees applicable to the Act, the retirement pension contribution rate borne by the Company each month is not less than six percent of the employee's monthly salary.

4. Agreements between labor and management and the status of measures to maintain employee rights and interests

In order to protect labor rights and coordinate labor relations, the Company is committed to strengthening labor harmony and doing two-way communication coordination to solve problems, therefore, up to now, there are no major unresolved labor disputes.

- (2) The Company did not have any losses due to the labor-employer dispute in the most recent fiscal year and up to the date of publication of the annual report.**

However, the Company has been fined as follows for violation of laws and regulations due to labor inspection results:

The letter dated October 30, 2023, with reference number 1120297726, ruled a violation of Article 24, Paragraph 1 of the Labor Standards Act due to the failure to pay wages according to regulations for extended working hours, resulting in a fine of NT\$150,000.

The letter dated June 29, 2023, with reference number 1120170083, ruled a violation of Article 24, Paragraph 1 of the Labor Standards Act due to the failure to pay wages according to regulations for extended working hours, resulting in a fine of NT\$100,000.

The letter dated June 29, 2023, with reference number 11201700831, ruled a violation of Article 32, Paragraph 2 of the Labor Standards Act due to extending working hours beyond the legal limits, resulting in a fine of NT\$300,000.

The letter dated June 29, 2023, with reference number 11201700832, ruled a violation for not providing two days off in every seven-day period as required for a Regular Day-Off and a Recess Day, resulting in a fine of NT\$50,000.

The Company will continuously review its work time management processes while reminding supervisors to effectively handle related applications and to be attentive to employees' work situations for strengthening the promotion of legal compliance.

6. Information and Communication Security Management:

(1) Information and communication security risk management framework, information and communication security policy, specific management plans, and resources devoted to information and communication security management:

1. Information and communication security risk management framework:

The Company has established an Information Security Management Committee to manage the information technology related matters necessary for operation. The general manager acts as the chairman (convener), and the highest supervisor of the information unit serves as the Chief Information Security Officer, integrating the highest supervisors of various business units, information, auditing, legal and other units. Regular meetings are held to make decisions, manage and promote information security affairs, implement the responsibilities of business operators, protect the legitimate rights and interests of shareholders, and consider the interests of other stakeholders.

2. Information and communication security management policy, specific management plan:

- 1) Conduct information security education, training, and promotion to establish employee's awareness of information security.
- 2) Protect the company's confidential information.
- 3) Respect intellectual property rights and protect customer and company information.
- 4) Prevent attacks from computer viruses.
- 5) Ensure that all information security accidents or suspected security weaknesses should be reported upwards according to appropriate mechanisms and appropriately investigated and handled.
- 6) Comply with relevant laws and regulations to achieve the goal of continuous business operation.

3. Resources devoted to information and communication security management:

- 1) Encryption of company information for security.
- 2) Authority and access management.
- 3) Financial and research and development information are backed up at different locations.
- 4) Regular updates of antivirus software and firewall log management.

(2) Losses, possible impacts, and countermeasures due to major information and communication security incidents in the past two fiscal years and up to the date of

the issuance of the prospectus: No such situation has occurred.

7. Important contracts

Contract nature	Contracting parties	Contract start and end date	Main content	Restriction clauses
Financing contract	O-Bank	2019.04.01~2026.03.15	Operating turnover	None
Financing contract	Hua Nan Commercial Bank	2019.02.20~2039.02.20	Long-term mortgage loan	Land and factory as collateral
Financing contract	Hua Nan Commercial Bank	2009.08.06~2024.08.06	Long-term mortgage loan	Land and factory as collateral
Financing contract	Hua Nan Commercial Bank	2022.07.04~2024.07.04	Long-term mortgage loan	Land and factory as collateral
Financing contract	Hua Nan Commercial Bank	2022.07.04~2024.07.04	Long-term mortgage loan	Land and factory as collateral
Co-development contract	Ever Radiant Inc.	2019.09.02~2024.08.31	Nano-imprinting lithography stage development plan	Both parties share the ownership of the plan properties; intellectual property rights are jointly owned
Contract for the construction of a new factory building	True-Dreams Construction Co., Ltd.	2023.01.21~2024.05.20	The Company's Xinsheng Plant Construction Plan	None

VI. Financial Overview

1. Brief financial data for the recent 5 years

1.1 Brief balance sheet - IFRS consolidation

Unit: NT\$ thousands

Year		Financial information for the last five years (Note 1)				
Item		2019	2020	2021	2022	2023
Current assets		2,700,547	3,890,869	4,972,007	5,847,107	5,448,399
Property, plant, and equipment (Note 2)		720,995	705,697	688,583	1,688,053	2,043,898
Intangible assets		7,595	8,885	12,698	14,501	12,315
Other assets (Note 2)		159,858	144,186	506,586	358,526	440,675
Total assets		3,588,995	4,749,637	6,179,874	7,908,187	7,945,287
Current liabilities	Before distribution	1,298,474	2,438,350	2,655,269	3,300,977	2,423,531
	After distribution	1,388,924	2,697,640	3,105,441	3,729,567	2,611,735
Non-current liabilities		629,686	167,377	198,324	915,522	1,434,645
Total liabilities	Before distribution	1,928,160	2,605,727	2,853,593	4,216,499	3,858,176
	After distribution	2,018,610	2,865,017	3,303,765	4,645,089	4,046,380
Equity attributable to owners of the parent company		1,660,835	2,143,910	3,326,281	3,646,441	4,044,669
Capital stock		578,000	603,156	701,019	714,317	752,817
Capital surplus		580,092	735,707	1,428,094	1,506,096	1,854,049
Retained earnings	Before distribution	550,942	839,754	1,232,110	1,447,432	1,452,350
	After distribution	460,492	580,464	781,938	1,018,842	1,264,146
Other equity		(48,199)	(34,707)	(34,942)	(21,404)	(14,547)
Treasury stock		0	0	0	0	0
Non-controlling interests		0	0	0	45,247	42,442
Total equity	Before distribution	1,660,835	2,143,910	3,326,281	3,691,688	4,087,111
	After distribution					

	After distribution	1,570,385	1,884,620	2,876,109	3,263,098	3,898,907
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Note 1: The financial statements of each year are audited by certified public accountants.

1.2 Brief balance sheet - IFRS individual

Unit: NT\$ thousands

Year		Financial information for the last five years (Note 1)				
Item		2019	2020	2021	2022	2023
Current assets		1,491,325	1,865,732	2,888,803	3,052,009	3,169,615
Property, plant, and equipment (Note 2)		651,212	642,909	633,695	1,606,059	1,964,274
Intangible assets		7,508	3,120	7,719	10,180	8,706
Other assets (Note 2)		860,242	1,035,136	1,690,603	1,805,775	1,837,186
Total assets		3,010,287	3,546,897	5,220,820	6,474,023	6,979,781
Current liabilities	Before distribution	720,282	1,241,755	1,708,925	1,931,572	1,520,065
	After distribution	810,732	1,501,045	2,159,097	2,360,162	1,708,269
Non-current liabilities		629,170	161,232	185,614	896,010	1,415,047
Total liabilities	Before distribution	1,349,452	1,402,987	1,894,539	2,827,582	2,935,112
	After distribution	1,439,902	1,662,277	2,344,711	3,256,172	3,123,316
Equity attributable to owners of the parent company		1,660,835	2,143,910	3,326,281	3,646,441	4,044,669
Capital stock		578,000	603,156	701,019	714,317	752,817
Capital surplus		580,092	735,707	1,428,094	1,506,096	1,854,049
Retained earnings	Before distribution	550,942	839,754	1,232,110	1,447,432	1,452,350
	After distribution	460,492	580,464	781,938	1,018,842	1,264,146
Other equity		(48,199)	(34,707)	(34,942)	(21,404)	(14,547)
Treasury stock		0	0	0	0	0
Non-controlling interests		0	0	0	0	0
Total equity	Before distribution	1,660,835	2,143,910	3,326,281	3,646,441	4,044,669
	After distribution	1,570,385	1,884,620	2,876,109	3,217,851	3,856,465

Note 1: The financial statements of each year are audited by certified public accountants.

2.1 Brief comprehensive income statement - IFRS consolidation

UNIT: NT\$ thousands (except earnings per share are in NT\$)

Year	Financial information for the last five years (Note 1)				
Item	2019	2020	2021	2022	2023
Operating revenue	2,967,728	3,395,005	4,905,620	5,761,799	5,810,295
Gross profit from operations	755,967	1,055,807	1,599,810	1,641,066	1,660,150
Operating income (loss)	57,041	496,856	823,443	843,387	768,698
Non-operating income and expenses	(4,498)	9,062	11,940	44,107	51,721
Profit before tax	52,543	505,918	835,383	887,494	820,419
Net profit from continuing operations	52,543	505,918	835,383	887,494	820,419
Loss from discontinued operations	0	0	0	0	0
Net profit of the period (loss)	67,813	379,262	651,646	666,333	647,468
Other comprehensive income of the period (net value after tax)	(31,840)	13,492	(235)	12,038	4,387
Total comprehensive income for the period	35,973	392,754	651,411	678,371	651,855
Net profit attributable to owners of the parent company	67,813	379,262	651,646	666,994	647,803
Net profit attributable to non-controlling interests	0	0	0	(661)	(335)
Total comprehensive income attributable owners of the parent	35,973	392,754	651,411	679,032	654,660
Total comprehensive income attributable to non-controlling interests	0	0	0	(661)	(2,805)
Earnings per share	1.17	6.35	10.15	9.41	8.89

Note 1: The financial statements of each year are audited by certified public accountants.

2.2 Brief comprehensive income statement - IFRS individual

UNIT: NT\$ thousands (except earnings per share are in NT\$)

Year	Financial information for the last five years (Note 1)				
Item	2019	2020	2021	2022	2023
Operating revenue	1,621,937	1,698,858	2,602,534	3,414,489	3,526,523
Gross profit from operations	430,853	571,154	922,165	1,096,256	1,105,324

Operating income (loss)	(86,544)	249,912	381,665	530,579	493,612
Non-operating income and expenses	127,420	228,586	406,520	327,388	299,624
Profit before tax	40,876	478,498	788,185	857,967	793,236
Net profit from continuing operations	40,876	478,498	788,185	857,967	793,236
Loss from discontinued operations	0	0	0	0	0
Net profit of the period (loss)	67,813	379,262	651,646	666,994	647,803
Other comprehensive income of the period (net value after tax)	(31,840)	13,492	(235)	12,038	6,857
Total comprehensive income for the period	35,973	392,754	651,411	679,032	654,660
Net profit attributable to owners of the parent company	67,813	379,262	651,646	666,994	647,803
Net profit attributable to non-controlling interests	0	0	0	0	0
Total comprehensive income attributable owners of the parent	35,973	392,754	651,411	679,032	654,660
Total comprehensive income attributable to non-controlling interests	0	0	0	0	0
Earnings per share	1.17	6.35	10.15	9.41	8.89

Note 1: The financial statements of each year are audited by certified public accountants.

3. Name of the CPA and audit opinion

Year	Name	Firm	Audit Opinion	Remarks
2019	YANG, JING-TING & YANG, QING-ZHEN	Deloitte & Touche	Unqualified Opinion	
2020	YANG, JING-TING & YANG, QING-ZHEN	Deloitte & Touche	Unqualified Opinion	
2021	ZHUANG, WEN-YUAN & YANG, QING-ZHEN	Deloitte & Touche	Unqualified Opinion	
2022	ZHUANG, WEN-YUAN & YANG, QING-ZHEN	Deloitte & Touche	Unqualified Opinion	
2023	ZHUANG, WEN-YUAN & YANG, QING-ZHEN	Deloitte & Touche	Unqualified Opinion	

2. Financial analysis for the last five years

1.1 Financial Analysis - IFRS Consolidation

Item (Note 2)		Year (Note 1)	Financial analysis for the last five years				
			2019	2020	2021	2022	2023
Financial Structure (%)	Debt to assets ratio		53.72	54.86	46.18	53.32	48.56
	Long-term capital to property, plant and equipment ratio		317.69	327.52	511.86	272.93	270.16
Solvency (%)	Mobility Ratio		207.98	159.57	187.25	177.13	224.81
	Quick Ratio		162.09	114.00	130.87	102.93	160.40
	Interest Protection Multiples		3.21	33.62	75.33	58.75	28.10
Operating Capabilities	Receivables turnover ratio (times)		1.91	2.50	3.91	4.64	4.58
	Average number of days of receipt		191	146	93	79	80
	Inventory turnover rate (times)		2.98	2.92	2.66	2.21	2.20
	Payables turnover ratio (times)		3.62	3.18	2.97	2.92	3.44
	Average number of sales days		122	125	137	165	166
	Property, plant and equipment turnover ratio (times)		5.61	4.76	7.04	4.85	3.11
	Total assets turnover ratio (times)		0.80	0.81	0.90	0.82	0.73
Profitability	Return on Assets (%)		2.26	9.40	12.09	9.64	8.47
	ROE (%)		3.95	19.94	23.83	18.99	16.65
	Pre-tax income to paid-in capital ratio (%)		9.09	82.38	119.17	124.24	108.98
	Net profit rate (%)		2.29	11.17	13.28	11.56	11.14
	Earnings per share (NT\$)		1.17	6.35	10.15	9.41	8.89
Cash Flow	Cash flow ratio (%)		38.50	32.34	25.55	2.00	24.67
	Cash flow adequacy ratio (%)		26.74	51.74	56.64	41.85	50.41
	Cash flow reinvestment ratio (%)		14.80	29.79	12.18	(Note 2)	(Note 2)
Leverage	Operating leverage		18.86	3.04	2.74	3.04	3.30
	Financial leverage		1.84	1.03	1.01	1.02	1.04

Please explain the reasons for changes in various financial ratios in the past two fiscal years. (If the increase or decrease does not reach 20%, no analysis is required):

1. Increase in mobility ratio: This is primarily due to decrease in accounts payable.
2. Increase in quick ratio: This is primarily due to the decrease in accounts payable and inventories.

3. Decrease in interest coverage ratio: This is primarily due to an increase in borrowings, leading to increased interest expenses.
4. Decrease in property, plant and equipment turnover ratio: This is primarily due to the increase in construction-in-progress of new plants in response to the demand for operational development.
5. Increase in cash flow ratio: This is primarily due to an increase in net cash flow from operating activities.
6. Increase in cash flow adequacy ratio: This is primarily due to an increase in capital expenditure and cash dividends.

Note 1: The financial statements of each year are audited by certified public accountants.

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

Note 3: At the end of this table in the annual report, the following calculation formulas should be shown:

1. Financial Structure
 - (1) Debt to Assets Ratio = Total Liabilities / Total Assets.
 - (2) Long-term Funds to Fixed Assets Ratio = (Total Equity + Non-current Liabilities) / Net Amount of Fixed Assets, Plant and Equipment.
2. Solvency (%)
 - (1) Current Ratio = Current Assets / Current Liabilities.
 - (2) Quick Ratio = (Current Assets - Inventory - Prepaid Expenses) / Current Liabilities.
 - (3) Interest Coverage Ratio = Pre-tax and Interest Expense Net Profit / Interest Expense for the Current Period.
3. Operating Capabilities
 - (1) Accounts Receivable (including Accounts Receivable and Notes Receivable arising from operations) Turnover Ratio = Net Sales / Average Accounts Receivable (including Accounts Receivable and Notes Receivable arising from operations) Balance.
 - (2) Average Collection Period = 365 / Receivable Turnover Ratio.
 - (3) Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory.
 - (4) Accounts Payable (including Accounts Payable and Notes Payable arising from operations) Turnover Ratio = Cost of Goods Sold / Average Accounts Payable (including Accounts Payable and Notes Payable arising from operations) Balance.
 - (5) Average Sales Days = 365 / Inventory Turnover Ratio.
 - (6) Fixed Assets, Plant and Equipment Turnover Ratio = Net Sales / Average Fixed Assets, Plant and Equipment Net Amount.
 - (7) Total Asset Turnover Ratio = Net Sales / Average Total Assets.
4. Profitability
 - (1) Return on Assets = [Net Profit after Tax + Interest Expense × (1 - Tax Rate)] / Average Total Assets.
 - (2) Return on Equity = Net Profit after Tax / Average Total Equity.
 - (3) Net Profit Margin = Net Profit after Tax / Net Sales.
 - (4) Earnings per Share = (Profit attributable to the parent company - Preferred Stock Dividends) / Weighted Average Number of Shares Outstanding. (Note 4)
5. Cash Flow
 - (1) Cash Flow Ratio = Net Cash Flow from Operating Activities / Current Liabilities.
 - (2) Net Cash Flow Adequacy Ratio = Net Cash Flow from Operating Activities in the Most Recent Five Years / Capital Expenditure in the Most Recent Five Years + Increase in Inventory + Cash Dividends.
 - (3) Cash Reinvestment Ratio = (Net Cash Flow from Operating Activities - Cash Dividends) / (Gross Amount of Fixed Assets, Plant and Equipment + Long-term Investment + Other Non-current Assets + Working Capital) (Note 5)

6. Leverage
 - (1) $\text{Operating Leverage} = (\text{Net Sales} - \text{Variable Operating Costs and Expenses}) / \text{Operating Profit}$ (Note 6).
 - (2) $\text{Financial Leverage} = \text{Operating Profit} / (\text{Operating Profit} - \text{Interest Expense})$.
- Note 4: For the calculation formula of earnings per share mentioned above, pay special attention to the following matters when measuring:
1. Based on the weighted average number of ordinary shares, not the number of shares issued at the end of the year.
 2. For cash capital increase or treasury stock transactions, consider their circulation period and calculate the weighted average number of shares.
 3. For earnings capitalization or capital surplus capitalization, when calculating the earnings per share of previous years and semi-annual periods, retrospectively adjust according to the capitalization ratio, without considering the issuance period of the capital increase.
 4. If the preferred stock is non-convertible cumulative preferred stock, its annual dividend (regardless of whether it is distributed) should be deducted from after-tax profit or added to after-tax loss. If the preferred stock is of a non-cumulative nature, in the case of after-tax profit, the preferred stock dividend should be deducted from the after-tax profit; if it is a loss, there is no need to adjust.
- Note 5: For cash flow analysis, pay special attention to the following matters when measuring:
1. The net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
 2. Capital expenditure refers to the annual cash outflow of capital investment.
 3. The increase in inventory is only included when the balance at the end of the period is greater than the beginning balance. If the inventory decreases at the end of the year, it is calculated as zero.
 4. Cash dividends include cash dividends of ordinary shares and preferred shares.
 5. The gross amount of property, plant and equipment refers to the total amount of property, plant and equipment before deducting accumulated depreciation.
- Note 6: The issuer should classify various operating costs and expenses according to their nature as fixed or variable. If estimation or subjective judgment is involved, pay attention to its reasonableness and maintain consistency.
- Note 7: If the company's stock is without par value or the par value per share is not New Taiwan Dollar ten, the calculation of the ratio to the actual capital mentioned above should be replaced with the equity ratio attributed to the owner of the parent company in the balance sheet.

1.2 Financial Analysis - IFRS Individual

1) Item (Note 2)		Financial analysis for the last for five years				
		2019	2020	2021	2022	2023
Financial Structure (%)	Debt to assets ratio	44.83	39.56	36.29	43.68	42.05
	Long-term capital to property, plant and equipment ratio	351.65	358.55	554.19	282.83	277.95
Solvency (%)	Mobility Ratio	207.05	150.25	169.04	158.01	208.52
	Quick Ratio	163.55	114.19	120.76	82.83	153.29
	Interest Protection Multiples	6.19	52.72	102.99	66.01	28.89
Operating Capabilities	Receivables turnover ratio (times)	2.12	2.60	4.42	5.85	6.09
	Average number of days of receipt	172	140	83	62	60
	Inventory turnover rate (times)	3.40	3.04	2.69	2.07	2.16
	Payables turnover ratio (times)	3.06	2.69	2.46	2.52	3.48
	Average number of sales days	107	120	136	176	169
	Property, plant and equipment turnover ratio (times)	3.55	2.63	4.08	3.05	1.98
	Total assets turnover ratio (times)	0.57	0.52	0.59	0.58	0.52
Profitability	Return on Assets (%)	2.59	11.79	15.01	11.59	9.97
	ROE (%)	3.95	19.94	23.83	19.13	16.85
	Pre-tax income to paid-in capital ratio (%) (Note 7)	7.07	79.33	112.43	120.11	105.37
	Net profit rate (%)	4.18	22.32	25.04	19.53	18.37
	Earnings per share (NT\$)	1.17	6.35	10.15	9.41	8.89
Cash Flow	Cash flow ratio (%)	18.64	30.12	21.16	(Note 2)	0.27
	Cash flow adequacy ratio (%)	23.70	40.18	41.24	23.19	27.08

	Cash flow reinvestment ratio (%)	(Note 2)	12.20	2.99	(Note 2)	(Note 2)
Leverage	Operating leverage	(Note 2)	3.03	3.04	2.90	3.15
	Financial leverage	0.92	1.04	1.02	1.03	1.06

Please explain the reasons for changes in various financial ratios in the past two fiscal years.
(If the increase or decrease does not reach 20%, no analysis is required):

1. Increase in mobility ratio: This is primarily due to decrease in accounts payable.
2. Increase in quick ratio: This is primarily due to the decrease in accounts payable and inventories.
3. Decrease in interest coverage ratio: This is primarily due to an increase in borrowings, leading to increased interest expenses.
4. Increase in payables turnover ratio: This is primarily due to decrease in accounts payable.
5. Decrease in property, plant and equipment turnover ratio: This is primarily due to the increase in construction-in-progress of new plants in response to the demand for operational development.

Note 1: The financial statements of each year are audited by certified public accountants.

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

Note 3: At the end of this table in the annual report, the following calculation formulas should be shown:

1. Financial Structure
 - (1) Debt to Assets Ratio = Total Liabilities / Total Assets.
 - (2) Long-term Funds to Fixed Assets Ratio = (Total Equity + Non-current Liabilities) / Net Amount of Fixed Assets, Plant and Equipment.
2. Solvency (%)
 - (1) Current Ratio = Current Assets / Current Liabilities.
 - (2) Quick Ratio = (Current Assets - Inventory - Prepaid Expenses) / Current Liabilities.
 - (3) Interest Coverage Ratio = Pre-tax and Interest Expense Net Profit / Interest Expense for the Current Period.
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 - (3) Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory.
 - (4) Accounts Payable (including Accounts Payable and Notes Payable arising from operations) Turnover Ratio = Cost of Goods Sold / Average Accounts Payable (including Accounts Payable and Notes Payable arising from operations) Balance.
 - (5) Average Sales Days = 365 / Inventory Turnover Ratio.
 - (6) Fixed Assets, Plant and Equipment Turnover Ratio = Net Sales / Average Fixed Assets, Plant and Equipment Net Amount.
 - (7) Total Asset Turnover Ratio = Net Sales / Average Total Assets.
4. Profitability
 - (1) Return on Assets = [Net Profit after Tax + Interest Expense × (1 - Tax Rate)] / Average Total Assets.
 - (2) Return on Equity = Net Profit after Tax / Average Total Equity.

- (3) Net Profit Margin = Net Profit after Tax / Net Sales.
 - (4) Earnings per Share = (Profit attributable to the parent company - Preferred Stock Dividends) / Weighted Average Number of Shares Outstanding. (Note 4)
 5. Cash Flow
 - (1) Cash Flow Ratio = Net Cash Flow from Operating Activities / Current Liabilities.
 - (2) Net Cash Flow Adequacy Ratio = Net Cash Flow from Operating Activities in the Most Recent Five Years / Capital Expenditure in the Most Recent Five Years + Increase in Inventory + Cash Dividends.
 - (3) Cash Reinvestment Ratio = (Net Cash Flow from Operating Activities - Cash Dividends) / (Gross Amount of Fixed Assets, Plant and Equipment + Long-term Investment + Other Non-current Assets + Working Capital) (Note 5)
 6. Leverage
 - (1) Operating Leverage = (Net Sales - Variable Operating Costs and Expenses) / Operating Profit (Note 6).
 - (2) Financial Leverage = Operating Profit / (Operating Profit - Interest Expense).
- Note 4: For the calculation formula of earnings per share mentioned above, pay special attention to the following matters when measuring:
1. Based on the weighted average number of ordinary shares, not the number of shares issued at the end of the year.
 2. For cash capital increase or treasury stock transactions, consider their circulation period and calculate the weighted average number of shares.
 3. For earnings capitalization or capital surplus capitalization, when calculating the earnings per share of previous years and semi-annual periods, retrospectively adjust according to the capitalization ratio, without considering the issuance period of the capital increase.
 4. If the preferred stock is non-convertible cumulative preferred stock, its annual dividend (regardless of whether it is distributed) should be deducted from after-tax profit or added to after-tax loss. If the preferred stock is of a non-cumulative nature, in the case of after-tax profit, the preferred stock dividend should be deducted from the after-tax profit; if it is a loss, there is no need to adjust.
- Note 5: For cash flow analysis, pay special attention to the following matters when measuring:
1. The net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
 2. Capital expenditure refers to the annual cash outflow of capital investment.
 3. The increase in inventory is only included when the balance at the end of the period is greater than the beginning balance. If the inventory decreases at the end of the year, it is calculated as zero.
 4. Cash dividends include cash dividends of ordinary shares and preferred shares.
 5. The gross amount of property, plant and equipment refers to the total amount of property, plant and equipment before deducting accumulated depreciation.
- Note 6: The issuer should classify various operating costs and expenses according to their nature as fixed or variable. If estimation or subjective judgment is involved, pay attention to its reasonableness and maintain consistency.
- Note 7: If the company's stock is without par value or the par value per share is not New Taiwan Dollar ten, the calculation of the ratio to the actual capital mentioned above should be replaced with the equity ratio attributed to the owner of the parent company in the balance sheet.

3. Supervisor or Audit Committee's Review Report on Financial Statements for the Most Recent Fiscal Year

Auditing Report of the Audit Committee

The board of directors has submitted the business report, financial statements (including the consolidated financial statements) and proposal for distribution of earnings for the year 2023. The financial statements (including the consolidated financial statements) have been audited by CPA Chuang Wen-Yuan and CPA Yang Ching-Chen of Deloitte & Touche and an audit report has been prepared.

We have audited the above-mentioned business report, financial statements (including consolidated financial statements), and proposal for distribution of earnings and concluded that there is no discrepancy between them, and we hereby submit them for examination in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

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

Symtek Automation Asia Co., Ltd.

Audit Committee Convenor:

February 23, 2023

4. Financial Statements for the Most Recent Fiscal Year

INDEPENDENT AUDITORS' REVIEW REPORT

To Symtek Automation Asia Co., Ltd.:

Audit opinion

We have audited the financial statements of Symtek Automation Asia Co., Ltd., which comprise the Parent Company Only Consolidated Balance Sheets as of December 31, 2023 and 2022, the Parent Company Only Statement of Comprehensive Income from January 1 to December 31, 2023 and from January 1 to December 31, 2022, the Parent Company Only Statement of Change in Equity, the Parent Company Only Statement of Cash Flows, and Notes to Consolidated Financial Statement (including a summary of significant accounting policies).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of Symtek Automation Asia Co., Ltd. as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for audit opinion

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

requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

The key audit matter is which that, in our professional judgment, is most significant to our review of the parent company only financial statements of Symtek Automation Asia Co., Ltd. for 2023. Such matter has been considered in the process of examining the parent company only financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on the matter individually.

The following is the description of the key audit matter in the parent company only financial statements of Symtek Automation Asia Co., Ltd. for 2023:

Revenue Recognition

Symtek Automation Asia Co., Ltd. generates revenue mainly from the sale of equipment and machines, which are automation machines. The sales to major customers of automation equipment for semiconductor packaging and testing and wafers in 2023 were significant, accounting for 48% of the total revenue. The transaction is subject to the completion major customers. Therefore, we consider whether the sales of automation equipment for semiconductor packaging and testing and wafers have actually occurred as a key audit matter.

Hence, the auditor considered the policy on recognition of sales revenue and have evaluated and tested the effectiveness of the design and implementation of the internal control system related to each type of revenue in 2023; We also performed tests to verify the validity of each type of sales transaction, which included selecting proper samples of shipment orders, confirmation of installation of machines, and invoices, as well as checking the consistency between the sales targets and receivers of each type of sales transaction and the collection status of accounts receivable, and checking for any material sales return after the reporting date to verify that the transactions had actually occurred.

Responsibilities of management and directors for the parent company only financial statements

Management's responsibility is to prepare the parent company only financial statements present fairly, in all material respects, according to Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as maintain necessary internal control related to the preparation of the parent company only financial statements in order to ensure there is no major untrue expression on the financial statements due to fraud or error.

In preparing the parent company only financial statements, the management is responsible for assessing the ability of Symtek Automation Asia Co., Ltd. to continue as going concern, disclosing,

as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Symtek Automation Asia Co., Ltd. or to cease operations, or has no realistic alternative, but to do so.

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for audit opinions. Because fraud may be related to conspiracy, forgery, deliberate omission, false statement or breach of internal control, the risk of a material misstatement caused by fraud which is not identified is higher than the risk of a material misstatement caused by any error.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the internal control effectiveness of Symtek Automation Asia Co., Ltd.
3. Assess the appropriateness of management's use of accounting policies and the reasonability of the accounting estimate and relevant disclosure.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Symtek Automation Asia Co., Ltd. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained

up to the date of our auditor's report. However, future events or conditions may cause Symtek Automation Asia Co., Ltd. to cease to continue as a going concern.

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

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

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

We have determined the key audit matter for the audit of the Parent Company Only Financial Statements of Symtek Automation Asia Co., Ltd. for the year ended December 31, 2023 from the communications we have had with the governing body. We identified such matter in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, we decided not to communicate those matters in our auditor's report because we reasonably could expect the negative effect of such communication to outweigh the public interest.

Deloitte & Touche

CPA: Wen Yuan Zhuang

CPA: Qing Zhen Yang

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

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

February 27, 2024

SYMTEK AUTOMATION ASIA CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	\$ 1,205,080	17	\$ 515,429	8
1140	Contract assets - current (Note 22)	536,884	8	451,381	7
1150	Notes receivable, net (Note 8)	3,578	-	6,758	-
1170	Accounts receivable, net (Note 8 and 22)	547,430	8	544,428	8
1180	Accounts receivable - related parties, net (Note 22 and 30)	1,403	-	13,779	-
1200	Other receivables (Note 8)	11,155	-	30,301	1
1210	Other receivables - related parties (Note 30)	24,507	-	37,855	1
130X	Inventories (Note 9)	822,226	12	1,423,937	22
1479	Other current assets (Note 14)	17,352	-	28,141	-
11XX	Total current assets	<u>3,169,615</u>	<u>45</u>	<u>3,052,009</u>	<u>47</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Note 7)	169,090	3	120,443	2
1550	Investments accounted for using the equity method (Note 10)	1,544,802	22	1,572,182	24
1600	Property, plant and equipment (Note 11 and 31)	1,964,274	28	1,606,059	25
1755	Right-of-use assets (Note 12)	19,765	-	32,172	1
1821	Intangible assets (Note 13)	8,706	-	10,180	-
1840	Deferred income tax assets (Note 24)	92,341	2	66,395	1
1990	Other non-current assets (Note 14)	11,188	-	14,583	-
15XX	Total non-current assets	<u>3,810,166</u>	<u>55</u>	<u>3,422,014</u>	<u>53</u>
1XXX	Total current assets	<u>\$ 6,979,781</u>	<u>100</u>	<u>\$ 6,474,023</u>	<u>100</u>
C o d e	LIABILITIES AND EQUITY				
	Current liabilities				
2100	Short-term loans (Note 15)	\$ 200,000	3	\$ 160,000	3
2130	Contract liabilities - current (Note 22)	215,058	3	242,795	4
2170	Accounts payable (Note 17 and 30)	438,418	6	954,356	15
2200	Other payables (Note 18 and 30)	475,157	7	348,091	5
2230	Current income tax liabilities (Note 24)	74,547	1	124,885	2
2250	Provision for liabilities - current (Note 19)	55,000	1	57,000	1
2280	Lease liabilities - current (Note 12)	11,383	-	20,951	-
2322	Long-term loans due within one year (Note 15)	47,922	1	20,240	-
2399	Other current liabilities (Note 18)	2,580	-	3,254	-
21XX	Total current liabilities	<u>1,520,065</u>	<u>22</u>	<u>1,931,572</u>	<u>30</u>
	Non-current liabilities				
2500	Financial liabilities at fair value through profit or loss - non-current (Note 16)	930	-	-	-
2530	Bonds payable (Note 16)	285,898	4	-	-
2540	Long-term loans (Note 15)	966,279	14	725,971	11
2570	Deferred income tax liabilities (Note 24)	150,498	2	156,470	3
2580	Lease liabilities - non-current (Note 12)	8,506	-	11,342	-
2670	Other non-current liabilities (Note 18)	2,936	-	2,227	-
25XX	Total non-current liabilities	<u>1,415,047</u>	<u>20</u>	<u>896,010</u>	<u>14</u>
2XXX	Total liabilities	<u>2,935,112</u>	<u>42</u>	<u>2,827,582</u>	<u>44</u>
	Equity (Note 21)				
3110	Capital - common stock	752,817	11	714,317	11
3200	Capital surplus	1,854,049	26	1,506,096	23
	Retained earnings				
3310	Legal reserve	424,099	6	357,550	5
3320	Special reserve	21,404	-	34,942	1
3350	Unappropriated earnings	1,006,847	15	1,054,940	16
3300	Total retained earnings	<u>1,452,350</u>	<u>21</u>	<u>1,447,432</u>	<u>22</u>
3400	Other equity	(14,547)	-	(21,404)	-
3XXX	Total equity	<u>4,044,669</u>	<u>58</u>	<u>3,646,441</u>	<u>56</u>
	Total	<u>\$ 6,979,781</u>	<u>100</u>	<u>\$ 6,474,023</u>	<u>100</u>

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

Chairman: Koon Kam Kwan

General Manager: Nien Ching Wang

Head of Accounting: Ching Hsiang Chiu

SYMTEK AUTOMATION ASIA CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FROM JANUARY 1 TO DECEMBER 31, 2023 AND 2022

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

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue (Note 22 and 30)				
4100	Sales revenue	\$ 3,526,523	100	\$ 3,414,489	100
	Operating costs (Note 9, 23 and 30)				
5110	Cost of goods sold	(2,421,199)	(69)	(2,318,233)	(68)
5900	Gross profit	1,105,324	31	1,096,256	32
5910	Unrealized gain from sales	(604)	-	(3,088)	-
5920	Realized gain from sales	3,088	-	2,628	-
5950	Realized gross profit	1,107,808	31	1,095,796	32
	Operating expenses (Note 8, 22, 23 and 30)				
6100	Selling and marketing expenses	(98,545)	(3)	(85,008)	(3)
6200	General and administrative expenses	(235,894)	(7)	(217,347)	(6)
6300	Research and development expenses	(269,707)	(7)	(279,442)	(8)
6450	Reversal (loss) of expected credit loss	(10,050)	-	16,580	-
6000	Total operating expenses	(614,196)	(17)	(565,217)	(17)
6900	Profit from operations	493,612	14	530,579	15
	Non-operating income and expenses (Note 10, 23 and 30)				
7100	Interest income	4,949	-	1,378	-
7010	Other income	74,178	2	77,319	2
7020	Other gains and losses	31,465	1	17,344	1

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Code		2023 Amount	%	2022 Amount	%
7050	Financial costs	(\$ 28,442)	-	(\$ 13,197)	-
7070	Profit or loss of subsidiaries recognized under the equity method	<u>217,474</u>	<u>6</u>	<u>244,544</u>	<u>7</u>
7000	Total non-operating income and expenses	<u>299,624</u>	<u>9</u>	<u>327,388</u>	<u>10</u>
7900	Net income before tax	793,236	23	857,967	25
7950	Income tax expenses (Note 24)	(<u>145,433</u>)	(<u>4</u>)	(<u>190,973</u>)	(<u>5</u>)
8200	Net profit for the year	<u>647,803</u>	<u>19</u>	<u>666,994</u>	<u>20</u>
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income (Note 29)	28,647	1	(1,576)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	(27,238)	(1)	17,017	-
8399	Income taxes related to items that may be reclassified (Note 24)	<u>5,448</u>	<u>-</u>	(<u>3,403</u>)	<u>-</u>
8300	Other comprehensive income (loss) for the year, net of income tax	<u>6,857</u>	<u>-</u>	<u>12,038</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 654,660</u>	<u>19</u>	<u>\$ 679,032</u>	<u>20</u>
	Earnings per share (Note 25)				
9710	Basic	<u>\$ 8.89</u>		<u>\$ 9.41</u>	
9810	Diluted	<u>\$ 8.57</u>		<u>\$ 9.28</u>	

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

Chairman: Koon Kam Kwan

General Manager: Nien Ching Wang

Head of Accounting: Ching Hsiang Chiu

SYMTEK AUTOMATION ASIA CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FROM JANUARY 1 TO DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code		Shares			Retained earnings					Other equity		Total	Total equity
		Capital - common stock	Certificate of conversion to acquire new stocks	Total	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of the financial statements of foreign operations	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income		
A1	Balance at January 1, 2022	<u>\$ 692,572</u>	<u>\$ 8,447</u>	<u>\$ 701,019</u>	<u>\$ 1,428,094</u>	<u>\$ 292,385</u>	<u>\$ 34,708</u>	<u>\$ 905,017</u>	<u>\$ 1,232,110</u>	<u>(\$ 30,840)</u>	<u>(\$ 4,102)</u>	<u>(\$ 34,942)</u>	<u>\$ 3,326,281</u>
	Appropriation of earnings												
B1	Legal reserve	-	-	-	-	65,165	-	(65,165)	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	234	(234)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(450,172)	(450,172)	-	-	-	(450,172)
D1	Net profit for 2022	-	-	-	-	-	-	666,994	666,994	-	-	-	666,994
D3	Other comprehensive income (loss) for 2022, net of income tax	-	-	-	-	-	-	-	-	13,614	(1,576)	12,038	12,038
D5	Total comprehensive income for 2022	-	-	-	-	-	-	666,994	666,994	13,614	(1,576)	12,038	679,032
I1	Conversion of convertible bonds	21,745	(8,447)	13,298	74,810	-	-	-	-	-	-	-	88,108
Q1	Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(1,500)	(1,500)	-	1,500	1,500	-
M7	Recognition of changes in ownership equity of subsidiary	-	-	-	3,192	-	-	-	-	-	-	-	3,192
Z1	Balance at December 31, 2022	<u>714,317</u>	<u>-</u>	<u>714,317</u>	<u>1,506,096</u>	<u>357,550</u>	<u>34,942</u>	<u>1,054,940</u>	<u>1,447,432</u>	<u>(17,226)</u>	<u>(4,178)</u>	<u>(21,404)</u>	<u>3,646,441</u>
	Appropriation of earnings												
B1	Legal reserve	-	-	-	-	66,549	-	(66,549)	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	(13,538)	13,538	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(642,885)	(642,885)	-	-	-	(642,885)
D1	Net profit for 2023	-	-	-	-	-	-	647,803	647,803	-	-	-	647,803
D3	Other comprehensive income (loss) for 2023, net of income tax	-	-	-	-	-	-	-	-	(21,790)	28,647	6,857	6,857
D5	Total comprehensive income for 2023	-	-	-	-	-	-	647,803	647,803	(21,790)	28,647	6,857	654,660
C5	Issuance of convertible bonds recognized as components of equity - arising from stock options	-	-	-	15,756	-	-	-	-	-	-	-	15,756
E1	Employee stock options cost	-	-	-	12,647	-	-	-	-	-	-	-	12,647
E1	Capital increase by cash	38,500	-	38,500	319,550	-	-	-	-	-	-	-	358,050
Z1	Balance at December 31, 2023	<u>\$ 752,817</u>	<u>\$ -</u>	<u>\$ 752,817</u>	<u>\$ 1,854,049</u>	<u>\$ 424,099</u>	<u>\$ 21,404</u>	<u>\$ 1,006,847</u>	<u>\$ 1,452,350</u>	<u>(\$ 39,016)</u>	<u>\$ 24,469</u>	<u>(\$ 14,547)</u>	<u>\$ 4,044,669</u>

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

Chairman: Koon Kam Kwan

General Manager: Nien Ching Wang

Head of Accounting: Ching Hsiang Chiu

SYMTEK AUTOMATION ASIA CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FROM JANUARY 1 TO DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flow from operating activities		
A10000	Income before income tax	\$ 793,236	\$ 857,967
A20010	Adjustments for:		
A20100	Depreciation expenses	32,965	29,814
A20200	Amortization expenses	21,345	19,564
A20300	Expected credit impairment loss		
	(reversal gain)	10,050	(16,580)
A20400	Net gain on financial assets and		
	liabilities at fair value through profit		
	or loss	(140)	-
A20900	Financial costs	28,442	13,197
A21200	Interest income	(4,949)	(1,378)
A21300	Dividend income	(6,086)	(3,590)
A21900	Share-based payment cost	12,647	-
A22400	Gains on subsidiaries using the equity		
	method	(217,474)	(244,544)
A22500	Gains on disposal of property plant and		
	equipment	(38,043)	-
A23100	Net gain/loss on disposal of financial		
	assets	-	(1,777)
A23700	Loss on inventory devaluation	106,000	81,000
A23900	Unrealized gain with subsidiaries	604	3,088
A24000	Realized gain with subsidiaries	(3,088)	(2,628)
A24100	Unrealized loss on foreign currency		
	exchange	963	54
A29900	Other items	663	-
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	(88,439)	(153,718)
A31130	Notes receivable	3,180	1,430
A31150	Accounts receivable	(10,982)	21,185
A31160	Accounts receivable - related parties	12,135	3,420
A31180	Other receivables	19,146	17,076
A31190	Other receivables - related parties	13,348	(6,084)
A31200	Inventories	495,711	(690,627)
A31240	Other current assets	(4,776)	(32,496)
A32125	Contract liabilities	(27,737)	27,888
A32150	Accounts payable	(515,814)	69,591
A32180	Other payables	22,810	50,971
A32200	Provision for liabilities - current	(2,000)	21,000
A32230	Other current liabilities	(674)	1,175
A33000	Cash generated from operations	653,043	64,998
A33100	Interest received	4,949	1,378

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Code		2023	2022
A33300	Interest paid	(\$ 24,537)	(\$ 11,561)
A33500	Income tax paid	(222,241)	(116,513)
AAAA	Net cash generated from (used in) operating activities	<u>411,214</u>	(<u>61,698</u>)
	Cash flow from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(20,000)	-
B00020	Sale of financial assets at fair value through other comprehensive income	-	15,000
B00050	Disposal of financial assets at amortized cost	-	19,740
B00100	Acquisition of financial assets at fair value through profit or loss	-	(8,487)
B00200	Sale of financial assets at fair value through profit or loss	-	10,264
B02700	Acquisition of property, plant and equipment	(324,079)	(788,979)
B02800	Disposal of property, plant and equipment	95,841	-
B03800	Decrease (increase) in guarantee deposits	2,633	(3,751)
B04500	Payments for intangible assets	(3,544)	(6,464)
B06700	Increase in other non-current assets	-	(1,143)
B07600	Dividends received	<u>226,186</u>	<u>3,590</u>
BBBB	Net cash used in investing activities	(<u>22,963</u>)	(<u>760,230</u>)
	Net cash flow from financing activities		
C00100	Increase in short-term loans	650,000	500,000
C00200	Decrease in short-term loans	(610,000)	(440,000)
C01200	Convertible bonds issued	298,770	-
C01600	Proceeds from long-term loans	458,230	670,000
C01700	Repayment of long-term loans	(190,240)	(20,240)
C04020	Repayment of the principal portion of lease liabilities	(20,525)	(15,206)
C04300	Decrease in other non-current liabilities	-	(228)
C04500	Dividends paid	(642,885)	(450,172)
C04600	Capital increase by cash	<u>358,050</u>	<u>-</u>
CCCC	Net cash generated from financing activities	<u>301,400</u>	<u>244,154</u>
EEEE	Net increase (decrease) in cash and cash equivalents	689,651	(577,774)
E00100	Cash and cash equivalents at the beginning of the year	<u>515,429</u>	<u>1,093,203</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 1,205,080</u>	<u>\$ 515,429</u>

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

Chairman: Koon Kam Kwan

General Manager: Nien Ching Wang

Head of Accounting: Ching Hsiang Chiu

SYMTEK AUTOMATION ASIA CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FROM JANUARY 1 TO DECEMBER 31, 2023 AND 2022
(In thousands of New Taiwan dollars, unless stated otherwise)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors on February 23, 2024.

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

- i. 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 significant effect on the accounting policies of the Company.

- ii. The IFRS Accounting Standards endorsed by the FSC with effective date starting 2024

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

Note1: Unless otherwise stated, the above new/revised/amended standards or interpretations are effective for annual reporting periods beginning after the respective dates.

Note2: The seller and lessee should retrospectively apply the amendments to IFRS 16 to sale and leaseback transactions entered into after the initial application of IFRS 16.

Note3: The first application of this amendment exempts some requirement of the disclosure.

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

- iii. New IFRSs Accounting Standards issued by IASB but not yet endorsed and issued into effect by the FSC Accounting.

New, Revised or Amended 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
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 - "Initial Application of IFRS 17 and IFRS 9 -- Comparative Information"	January 1, 2023
Amendments to IAS 21 - "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: These amendments apply to reporting periods beginning on or after January 1, 2025. When the amendment is first applied, the effect is recognized in

retained earnings at the date of initial application. When the Company uses a non-functional currency as the presentation currency, the impact amount will be adjusted for the exchange differences from foreign operations under equity as of the date of initial application.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. Statement of Compliance

The parent company only financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

ii. Basis of Preparation

The parent company only financial statements have been prepared on the historical cost basis, except for financial instruments carried at fair value and net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

In preparing the parent company only financial statements, the Company applies the equity method to its investments in subsidiaries, associates or joint ventures. In order to make the profit or loss for the year, other comprehensive income and equity in the parent company only financial statements the same as the profit or loss for the year, other comprehensive income and equity attributable to the owners of the Company in the consolidated financial statements, certain accounting differences between the parent company only basis and the consolidated basis are adjusted for "investments accounted for under the equity method", "share of profit or loss of subsidiaries, associates and joint

ventures accounted for under the equity method", "share of other comprehensive income or loss of subsidiaries, associates and joint ventures accounted for under the equity method" and related equity items.

iii. Classification of Current and Noncurrent Assets and Liabilities

Current assets include:

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

Current liabilities include:

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

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

iv. Foreign Currencies

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

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

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

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

For the purpose of preparing parent company only financial statements, assets and liabilities of foreign operations (including subsidiaries that operate in countries or currencies different from those of the Company) are translated into New Taiwan Dollars at the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rate for the period and the resulting exchange differences are included in other comprehensive income.

v. Inventories

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

vi. Investment in subsidiaries

The Company adopts the equity method for the investments in subsidiary.

Subsidiaries are entities (including structured entities) over which the Company has control.

Under the equity method, investments are initially recognized at cost, and the carrying amount of the acquired subsidiaries increases or decreases in accordance with the Company's share of profits and losses of subsidiaries and its share of other comprehensive income and profit distribution. Besides, changes in the Company's other equity interests in subsidiaries are recognized in proportion to the Company's shareholding ratio in the subsidiaries.

When the change in the ownership interest of the Company to a subsidiary does not result in a loss of control, it is treated as an equity transaction. The difference between the carrying amount of investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses in a subsidiary equals or exceeds its equity in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are substantially recognized as components of the

Company's net investment in the subsidiary), the Company continues to recognize losses based on the proportion of the shareholding ratio.

The excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries constituting the business as of the date of acquisition is recognized as goodwill, which is included in the carrying amount of the investment and cannot be amortized. The excess of the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries constituting the business over the cost of acquisition at the date of acquisition is recognized as current income.

In assessing impairment, the Company considers the cash-generating unit as a whole and compares its recoverable amount to its carrying amount in the financial statements. Subsequently, if the recoverable amount of an asset increases, the reversal of the impairment loss is recognized as a gain. However, the carrying amount of an asset after the reversal of an impairment loss should not exceed the carrying amount less the amount of amortization, when no impairment loss has been recognized for the asset. Impairment losses attributable to goodwill are not reversed in subsequent periods.

When the Company loses control of a subsidiary, any retained investment of the former subsidiary is measured at the fair value at that date. The difference between the fair value of the retained investment and any consideration received from disposal and the carrying amount of the investment at the date when control is lost is recognized in profit or loss for the current period. In addition, the Company shall account for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Company had directly disposed of the related assets and liabilities.

Unrealized gains or losses on downstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial statements. When the Company transacts with its subsidiaries, profits and losses resulting from the transactions with the subsidiaries are recognized in the Company's parent company only financial statements only to the extent of interests in the subsidiaries that are not owned by the Company.

vii. Property, Plant and Equipment

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

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

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

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

viii. Intangible Assets

1. Separately acquired

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

2. Derecognition

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

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

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

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

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

When the following recoverable amount increases, the carrying amount of the asset, cash generating unit or contract asset increases to the amount that can be recovered after the revision. However, the increased carrying amount shall not exceed that (minus amortization or depreciation) determined by the asset, cash generating unit or contract asset where the impairment loss was not recognized in the previous year. The reversal of impairment loss is recognized in profit or loss.

x. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized in the parent company only balance sheets when the Company becomes a party to the contractual provisions of the instrument.

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

1. Financial assets

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

(1) Measurement types

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

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets measured at fair value through profit or loss on a mandatory basis and those designated as at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments not designated as measured at fair value through other comprehensive income, and investments in debt instruments that do not qualify for classification as measured at amortized cost or measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value, with remeasurement gains or losses recognized in other gains and losses. For the determination of fair value, please refer to Note 29.

B. Financial assets at amortized cost

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

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

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

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except in the following two cases:

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

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

Cash equivalents include time deposits that are highly liquid, readily convertible into known amounts of cash and subject to a low risk of changes in value within 3 months from the date of acquisition and are used to meet short-term cash commitments.

C. Investments in debt instruments measured at fair value through other comprehensive income

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

- a. they are held under an operating model whose objective is achieved through the receipt of contractual cash flows and the sale of financial assets; and

- b. the contractual terms give rise to cash flows at a specific date, which are solely payments of principal and interest on the principal amount outstanding.

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

D. Investment in equity instruments measured at fair value through other comprehensive income

At initial recognition, the Company has an irrevocable option to designate investments in equity instruments that are not held for trading and for which there is contingent consideration recognized by the acquirer of the business combination to be measured at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. On disposal of investments, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

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

(2) Impairment of financial assets and contract assets

Company assesses impairment losses on financial assets at fair value through profit or loss, financial assets measured at amortized cost (including accounts receivable), investments in equity instruments at fair value through other comprehensive income, operating lease receivables and contract assets at the end of each reporting period based on expected credit losses.

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

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

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

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

(3) Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets have lapsed or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

On derecognition of a financial asset at amortized cost in its entirety, the differences between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at fair value through other comprehensive income, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is

recognized in profit or loss. When investments in equity instruments measured at fair value through other comprehensive income are derecognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instruments

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

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

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

3. Financial liabilities

(1) Subsequent measurement

The financial liabilities are measured at amortized cost using the effective interest method, except for the followings:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss including those held for trading.

Financial liabilities held for trading are measured at fair value, with gains or losses recognized in other gains and losses.

(2) Derecognition of financial liability

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

4. Convertible bonds

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

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

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

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

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

x i. Provision for Liabilities

The amount recognized as provision for liabilities is the best estimate of the expenditure required to settle the obligation at the reporting period, taking into account the risk and uncertainty of the obligation. Provision for liabilities is measured at the discounted value of the estimated cash flows from the settlement of the obligation.

Warranty

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

x ii. Revenue Recognition

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

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

Merchandise sales revenue

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

accounts receivable when the remaining obligation is satisfied. Prepayments are recognized as contract liabilities until the delivery or installation of the machine is confirmed.

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

xiii. Leases

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

1. The Company as lessor

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

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

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

2. The Company as lessee

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

Right-of-use assets are measured initially at cost (comprising the original measurement of the lease liability, lease payments made prior to the commencement date of the lease less lease incentives received, original direct cost and estimated cost to reinstate the subject asset) and subsequently at cost less accumulated depreciation and accumulated impairment losses, with adjustments

for remeasurement of the lease liability. Right-of-use assets are presented separately on Statement of Financial Position.

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

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

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

xiv. Borrowing costs

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

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

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

xv. Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

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

3. Other long-term employee benefits

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

xvi. Income tax

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

1. Current income tax

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

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

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

2. Deferred income tax

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

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

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

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

the end of each reporting period and the carrying amount is increased for those where it is probable that taxable income will be available to recover all or part of the assets.

Deferred income tax assets and liabilities are measured by the tax rate of the expected liabilities settlement or assets realization in the current period, according to the tax rate and the tax law which have been legalized or substantively legalized at the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences of the way in which the Company is expected to recover or pay off the carrying amount of its assets and liabilities at the reporting period.

3. Current and deferred tax

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When evaluating critical accounting estimates, the Company takes into account the possible effects of inflation and fluctuations in market interest along with related factors like cash flow projections, growth rates, discount rates, and profitability. The management will review the estimates and underlying assumptions on an ongoing basis.

Key sources of estimation and assumption uncertainty

i. Estimated impairment of financial assets and contract assets

Estimated impairment of accounts receivable, investments in debt instruments and contract assets are based on the Company's assumptions about default rates and expected loss rates. The Company considers historical experience, current market conditions and forward-looking information to make assumptions and select input values for the impairment assessment. Please refer to Note 8 for the significant assumptions and inputs used. If actual future cash flows are less than expected, a significant impairment loss could result.

ii. Impairment of Inventories

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

6. CASH AND CASH EQUIVALENTS

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and working capital	\$ 268	\$ 147
Checking accounts and demand deposits	<u>1,204,812</u>	<u>515,282</u>
	<u>\$ 1,205,080</u>	<u>\$ 515,429</u>

The interest rate range for bank deposits at the reporting period was as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bank deposit	0.001%~0.58%	0.001%~0.46%

7. Financial assets at fair value through other comprehensive income

Investments in equity instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Non-current</u>		
Domestic investment		
Listed shares		
SynPower Co., Ltd.	\$129,390	\$110,813
Unlisted shares		
New Smart Technology Co., Ltd.	8,870	8,630
Ever Radiant Inc.	-	-
Great Talent Tech Co., Ltd.	1,000	1,000
TSS Holdings Limited	<u>29,830</u>	<u>-</u>
	<u>\$169,090</u>	<u>\$120,443</u>

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

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

2019, the acquisition date, because of the decline in the assessed value of the stock investment.

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

On June 15, 2023, the Company invested in TSS Holdings Limited for \$20,000 thousand, which is designated as an investment at fair value through other comprehensive income and loss because it is a medium- to long-term strategic investment in view of the Company's international strategy.

8. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Notes receivable - Arising from operating activities</u>		
At amortized cost		
Total carrying amount	\$ 3,578	\$ 6,758
Less: Loss allowance	-	-
	<u>\$ 3,578</u>	<u>\$ 6,758</u>
<u>Accounts receivable</u>		
At amortized cost		
Total carrying amount	\$532,425	\$431,813
Less: Loss allowance	(24,160)	(16,970)
	508,265	414,843
At fair value through other comprehensive income	39,165	129,585
	<u>\$547,430</u>	<u>\$544,428</u>
<u>Other receivables</u>		
Transfer of accounts receivable factoring	\$ 10,009	\$ 30,301
Others	1,146	-
	<u>\$ 11,155</u>	<u>\$ 30,301</u>

Accounts receivable

i. Receivables measured at amortized cost

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

The Company recognizes allowance for loss on accounts receivable on the basis of lifetime expected credit losses, which are calculated using a reserve matrix that takes into account the customer's past default history, current financial condition, industry economic conditions, and GDP forecast and industry outlook. which are calculated using provision matrix that takes into account the customer's past default history, current financial condition, industry economic conditions, and GDP forecast and industry outlook. Because the Company's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the allowance matrix does not further differentiate between customer groups and only uses the number of days that the accounts receivable is past due to determine the expected credit losses rate.

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

ii. Accounts receivable at fair value through other comprehensive income

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

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

December 31, 2023

No signs of default by counterparties

Total

	Not Past Due	Past due for 1-90 Days	Past due for 91-180 Days	Past due for 181-270 Days	Past due for 271-365 Days	Past due for over 366 Days	
Expected credit loss	0.05%	4.25%	1.54%	12.05%	43.50%	100.00%	
Total carrying amount	\$ 317,176	\$ 62,620	\$ 154,372	\$ 18,508	\$ 10,174	\$ 12,318	\$ 575,168
Allowance for loss (lifetime ECLs)	(150)	(2,664)	(2,371)	(2,231)	(4,426)	(12,318)	(24,160)
Amortized cost	<u>\$ 317,026</u>	<u>\$ 59,956</u>	<u>\$ 152,001</u>	<u>\$ 16,277</u>	<u>\$ 5,748</u>	<u>\$ -</u>	<u>\$ 551,008</u>

December 31, 2022

	Not Past Due	Past due for 1-90 Days	No signs of default by counterparties Past due for 91-180 Days	Past due for 181-270 Days	Past due for 271-365 Days	Past due for over 366 Days	Total
Expected credit loss	0.25%	0.61%	1.36%	2.52%	27.62%	100.00%	
Total carrying amount	\$ 416,730	\$ 95,039	\$ 21,831	\$ 17,205	\$ 3,791	\$ 13,560	\$ 568,156
Allowance for loss (lifetime ECLs)	(1,055)	(579)	(296)	(433)	(1,047)	(13,560)	(16,970)
Amortized cost	<u>\$ 415,675</u>	<u>\$ 94,460</u>	<u>\$ 21,535</u>	<u>\$ 16,772</u>	<u>\$ 2,744</u>	<u>\$ -</u>	<u>\$ 551,186</u>

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

	2023	2022
Opening balance	\$ 16,970	\$ 30,520
Add: Impairment loss for the year	7,190	-
Less: Reversal of impairment loss for the year	-	(13,550)
Closing balance	<u>\$ 24,160</u>	<u>\$ 16,970</u>

The Company entered into a non-recourse sale contract with the bank for the accounts receivable arising from the sale of a portion of the receivable on credit. For information on the Company's sale of accounts receivable, please refer to Note 29 (v), "Transfer of financial assets".

9. INVENTORIES

	December 31, 2023	December 31, 2022
Finished goods	\$ 18,031	\$ 232
Work-in-process	734,923	1,292,788
Raw materials	69,272	130,917
	<u>\$ 822,226</u>	<u>\$ 1,423,937</u>

The cost of goods sold in 2023 and 2022 included loss on inventory devaluation of \$106,000 thousand and \$81,000 thousand, respectively.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment in subsidiaries

	December 31, 2023	December 31, 2022
Unlisted		
Symtek Automation Ltd.	<u>\$ 1,544,802</u>	<u>\$ 1,572,182</u>

Subsidiary	Percentage of ownership and voting rights December 31, 2023	December 31, 2022
Symtek Automation Ltd.	100%	100%

Please refer to Note 35 for the details of the Company's indirectly held investment in subsidiaries.

11. PROPERTY, PLANT AND EQUIPMENT

Self-use

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Construction in progress	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 372,524	\$ 290,699	\$ 48,474	\$ 661	\$ 18,940	\$ 219	\$ 731,517
Addition	782,024	713	-	-	-	13,409	796,146
Transfer of advance payment for real estate	190,735	-	-	-	-	-	190,735
Transfer of construction in progress	-	-	796	590	3,659	(5,045)	-
Balance at December 31, 2022	<u>\$ 1,345,283</u>	<u>\$ 291,412</u>	<u>\$ 49,270</u>	<u>\$ 1,251</u>	<u>\$ 22,599</u>	<u>\$ 8,583</u>	<u>\$ 1,718,398</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2022	\$ -	\$ 43,945	\$ 41,483	\$ 420	\$ 11,974	\$ -	\$ 97,822
Depreciation expenses	-	6,812	3,652	256	3,797	-	14,517
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 50,757</u>	<u>\$ 45,135</u>	<u>\$ 676</u>	<u>\$ 15,771</u>	<u>\$ -</u>	<u>\$ 112,339</u>
Carrying amount at December 31, 2022	<u>\$ 1,345,283</u>	<u>\$ 240,655</u>	<u>\$ 4,135</u>	<u>\$ 575</u>	<u>\$ 6,828</u>	<u>\$ 8,583</u>	<u>\$ 1,606,059</u>
<u>Cost</u>							
Balance at January 1, 2023	\$ 1,345,283	\$ 291,412	\$ 49,270	\$ 1,251	\$ 22,599	\$ 8,583	\$ 1,718,398
Addition	-	-	1,623	-	30	426,751	428,404
Transfer of construction in progress	-	952	904	-	3,757	(5,613)	-
Disposal	(57,798)	-	(1,124)	-	-	-	(58,922)
Balance at December 31, 2023	<u>\$ 1,287,485</u>	<u>\$ 292,364</u>	<u>\$ 50,673</u>	<u>\$ 1,251</u>	<u>\$ 26,386</u>	<u>\$ 429,721</u>	<u>\$ 2,087,880</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2023	\$ -	\$ 50,757	\$ 45,135	\$ 676	\$ 15,771	\$ -	\$ 112,339
Depreciation expenses	-	6,887	1,905	182	3,417	-	12,391
Disposal	-	-	(1,124)	-	-	-	(1,124)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 57,644</u>	<u>\$ 45,916</u>	<u>\$ 858</u>	<u>\$ 19,188</u>	<u>\$ -</u>	<u>\$ 123,606</u>
Carrying amount at December 31, 2023	<u>\$ 1,287,485</u>	<u>\$ 234,720</u>	<u>\$ 4,757</u>	<u>\$ 393</u>	<u>\$ 7,198</u>	<u>\$ 429,721</u>	<u>\$ 1,964,274</u>

No impairment loss was recognized or reversed in 2023 and 2022.

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

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

Please refer to Note 31 for the amounts of property, plant and equipment set by the Company as collateral for loans.

12. LEASE ARRANGEMENTS

i. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amounts		
Land	\$ 4,792	\$ 6,484
Buildings	9,176	22,926
Transportation equipment	<u>5,797</u>	<u>2,762</u>
	<u>\$ 19,765</u>	<u>\$ 32,172</u>
	2023	2022
Additions to the right-of-use assets	<u>\$ 15,132</u>	<u>\$ 41,184</u>
Depreciation expenses for right-of-use assets		
Land	\$ 1,692	\$ 1,692
Buildings	15,345	10,082
Transportation equipment	<u>3,537</u>	<u>3,523</u>
	<u>\$ 20,574</u>	<u>\$ 15,297</u>

The Company terminated the original lease agreement, derecognized the related right-of-use assets, net of \$6,965 thousand, and lease liabilities-current of \$7,011 thousand, and recognized a lease modification benefit of \$46 thousand.

ii. Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amount		
Current	<u>\$ 11,383</u>	<u>\$ 20,951</u>
Non-current	<u>\$ 8,506</u>	<u>\$ 11,342</u>

Range of discount rate for lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Land	0.87%	0.87%
Buildings	0.87%~1.99%	0.87%~1.52%
Transportation equipment	0.90%~1.94%	0.87%~0.90%

iii. Important leasing activities and terms

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

The Company also leases certain land and buildings for use as factories and offices for a term of 1 to 5 years. At the end of the lease term, the Company has no preferential

purchase rights to the leased land and buildings and has agreed not to sublease or assign all or part of the subject of the lease without the consent of the lessor.

iv. Other lease information

	<u>2023</u>	<u>2022</u>
Expense relating to short-term leases	<u>\$ 25,150</u>	<u>\$ 21,144</u>
Lease expense for low-value assets	<u>\$ -</u>	<u>\$ -</u>
Variable lease payment expense not included in the measurement of lease liabilities	<u>\$ -</u>	<u>\$ -</u>
Total cash outflow for leases	<u>(\$ 46,011)</u>	<u>(\$ 36,619)</u>

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

13. Intangible Assets

	<u>Computer Software</u>
<u>Cost</u>	
Balance at January 1, 2022	\$ 11,102
Separately acquired	6,464
Disposal	(<u>2,423</u>)
Balance at December 31, 2022	<u>\$ 15,143</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2022	(\$ 3,383)
Amortization expenses	(4,003)
Disposal	<u>2,423</u>
Balance at December 31, 2022	<u>(\$ 4,963)</u>
Carrying amount at December 31, 2022	<u>\$ 10,180</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 15,143
Separately acquired	3,544
Disposal	(<u>1,800</u>)
Balance at December 31, 2023	<u>\$ 16,887</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2023	(\$ 4,963)
Amortization expenses	(5,018)
Disposal	<u>1,800</u>
Balance at December 31, 2023	<u>(\$ 8,181)</u>
Carrying amount at December 31, 2023	<u>\$ 8,706</u>

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

An analysis of amortization by function is as follows:

	<u>2023</u>	<u>2022</u>
General and administrative expenses	\$ 4,994	\$ 4,003
Research and development expenses	<u>24</u>	<u>-</u>
	<u>\$ 5,018</u>	<u>\$ 4,003</u>

14. OTHER ASSETS

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Prepayments	<u>\$ 17,352</u>	<u>\$ 28,141</u>
<u>Non-current</u>		
Refundable deposits	\$ 7,816	\$ 10,449
Prepayments	-	762
Others	<u>3,372</u>	<u>3,372</u>
	<u>\$ 11,188</u>	<u>\$ 14,583</u>

15. LOANS

i. Short-term loans

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Unsecured loans</u>		
Line of credit loans	<u>\$ 200,000</u>	<u>\$ 160,000</u>

The interest rates on bank loans are 1.99% and 1.91% as of December 31, 2023 and 2022, respectively.

ii. Long-term loans

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Guaranteed loans</u>		
Bank loans (1)	\$ 1,778	\$ 4,444
Bank loans (2)	17,207	18,342
Bank loans (4)	500,000	617,000
Bank loans (5)	<u>-</u>	<u>53,000</u>
	518,985	692,786
<u>Unsecured loans</u>		
Bank loans (3)	36,986	53,425
Bank loans (6)	200,000	-
Bank loans (7)	223,000	-
Bank loans (8)	35,230	-
Less: Amount due within 1 year	(<u>47,922</u>)	(<u>20,240</u>)
	<u>\$ 966,279</u>	<u>\$ 725,971</u>

1. The bank loan is secured by the Company's own land and buildings (see Note 31) and is due on August 2024. The principal and interest are repaid monthly, and the effective annual interest rate is 1.96% and 1.83% as of December 31, 2023 and 2022, respectively.

2. The bank loan is secured by the Company's own land and buildings (see Note 31) and is due on February 2039. The principal and interest are repaid monthly, and the effective annual interest rate is 2.04% and 1.79% as of December 31, 2023 and 2022, 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% and 1.454% as of December 31, 2023 and 2022, respectively.
4. The bank loan was secured by the Company'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% and 1.69% as of December 31, 2023 and 2022, respectively.
5. The bank loan is secured by the Company'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 1.74% as of December 31, 2022.
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, with interest paid monthly. The effective annual interest rate is 1.95% as of December 31, 2023.
7. The bank loan is due on July 2030, and the first installment will be repaid starting from August 2026. The principal is repaid in 46 monthly installments over 4 years, with interest paid monthly. The effective annual interest rate is 2.18% as of December 31, 2023.
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 2.18% as of December 31, 2023.

16. CORPORATE BONDS PAYABLE

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
First domestic unsecured convertible bonds	\$ -	\$ -
Second domestic unsecured convertible bonds	285,898	-
Less: Amount due within 1 year	<u>-</u>	<u>-</u>
	<u>\$ 285,898</u>	<u>\$ -</u>

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

1. Total amount issued: NT\$400,000 thousand
2. Par value: NT\$100 thousand each
3. Coupon rate: 0%
4. Effective interest rate: 1.3108%
5. Carrying value at issuance: NT\$384,674 thousand
6. Maturity: 2019/11/25-2022/11/25 (The Company exercised its bond redemption right on January 19, 2022, and the over-the-counter trading will terminate on March 23, 2022.)
7. Conversion period:

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

- (1) The period during which the transfer of common shares is legally suspended and ceased.
- (2) The period from 15 business days prior to the date on which the Company applies to the Taipei Exchange for the cessation of transfer of the gratis allotment of shares, the cessation of transfer of cash dividends or the cessation of transfer of cash capital increase stock options to the record date.
- (3) From the base date of capital reduction to 1 day before the start of trading day of capital reduction and share exchange.
- (4) Other period of suspension of transfer according to the law.

8. Conversion price and its adjustment:

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

9. Repayment of the bonds at maturity:

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

10. Repurchase rights of the creditors:

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

11. Redemption rights of the Company:

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

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

Issue price (net of transaction costs of \$3,960 thousand)	\$ 396,040
Equity component (net of transaction costs of \$109 thousand apportioned to equity)	(<u>10,891</u>)
Components of liabilities at issue date (net of transaction costs of \$3,851 thousand apportioned to liabilities)	<u>\$ 385,149</u>
Components of liabilities as of January 1, 2022	\$ 87,934
Interest at effective interest rate of 1.3108%	174
Conversion of bonds payable to common stock	(<u>88,108</u>)
Components of liabilities as of December 31, 2022	<u>\$ -</u>

ii. 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:

1. Total amount issued: NT\$300,000 thousand
2. Par value: NT\$100 thousand each
3. Coupon rate: 0%
4. Effective interest rate: 2.0907%
5. Carrying value at issuance: NT\$281,944 thousand
6. Maturity: 2023/5/5-2026/5/5
7. Conversion period:

Except for the cessation of conversion period, creditors may request conversion of their convertible bonds into common shares of the Company at any time from the day after the expiration of three months from the date of issuance (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.

8. Conversion price and its adjustment

Creditors may request the Company to convert the bonds held by them into common shares of the Company at NT\$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.

9. Repayment of the bonds at maturity

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

10. Repurchase rights of 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.

11. 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 \$930 thousand as of December 31, 2023. The liabilities for non-derivative financial instruments were measured at amortized cost of \$285,898 thousand as of December 31, 2023, with an effective interest rate of 2.0907% as originally recognized.

Issue price (net of transaction costs of \$2,730
thousand)

\$ 298,770

Equity component (net of transaction costs of \$144 thousand apportioned to equity)	(<u>15,756</u>)
Components of liabilities at issue date (net of transaction costs of \$2,586 thousand apportioned to liabilities)	283,014
Interest at effective interest rate of 2.0907%	3,954
Valuation gain on financial instruments	(<u>140</u>)
Components of liabilities as of December 31, 2023	<u>\$ 286,828</u>

17. Accounts payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Accounts payable</u>		
Arising from operating activities	<u>\$ 438,418</u>	<u>\$ 954,356</u>

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

18. Other liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Other payables		
Payable for salaries and bonuses	\$ 250,438	\$ 201,748
Payable for equipment and construction	112,007	7,682
Payable for compensation of employees	27,000	33,500
Payable for remuneration of directors	9,000	11,700
Payable for insurance premiums	9,448	7,937
Others	<u>67,264</u>	<u>85,524</u>
	<u>\$ 475,157</u>	<u>\$ 348,091</u>
Other liabilities		
Receipts under custody	<u>\$ 2,580</u>	<u>\$ 3,254</u>
<u>Non-current</u>		
Other payables		
Long-term employee benefits payable	<u>\$ 2,936</u>	<u>\$ 2,227</u>

19. PROVISION FOR LIABILITIES

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Warranty provision	<u>\$ 55,000</u>	<u>\$ 57,000</u>
		Warranty provision
Balance at January 1, 2022		\$ 36,000
Additions during the year		81,965
Used during the year		(60,965)
Balance at December 31, 2022		<u>\$ 57,000</u>
Balance at January 1, 2023		\$ 57,000
Additions during the year		26,841
Used during the year		(28,841)
Balance at December 31, 2023		<u>\$ 55,000</u>

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

20. RETIREMENT BENEFIT PLANS

Defined contribution plans

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

21. EQUITY

i. Share capital

Ordinary shares

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Number of shares authorized (in thousands)	<u>100,000</u>	<u>100,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>75,282</u>	<u>71,432</u>
Shares issued	<u>\$ 752,817</u>	<u>\$ 714,317</u>

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

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

To control the timeliness of raising capital, to obtain long-term capital within the shortest period of time, and to restrict the transfer of capital for three years to facilitate the stability of the Company's operating right and the expansion of its operations, the Company approved the issuance of 6,000 thousand shares of common stock through a private placement cash capital increase on August 11, 2021. The issue price per share was NT\$95, the actual number of shares issued was 4,000 thousand shares, and the actual amount issued was NT\$380,000 thousand, the base date of the capital increase was August 25, 2021, and the change of registration was completed on September 13, 2021. In accordance with Article 43-8 of the Securities and Exchange Act, the common shares of the private placement shall be freely transferable after three years from the date of delivery and shall not be listed for trading until after the completion of public offering. 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, "Share-based 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.

ii. Capital surplus

	December 31, 2023	December 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	\$ 1,480,755	\$ 1,148,558
Premium on conversion of corporate bonds	344,646	344,646
Treasury shares trading	9,700	9,700
<u>May be used only to offset a deficit</u>		
Recognition of changes in ownership interests of subsidiaries (2)	3,192	3,192

May not be used for any purpose

Employee share options (3)

15,756
\$ 1,854,049

-
\$ 1,506,096

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

iii. Retained earnings and dividend policy

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 and supervisors is described in Note 23 (vii), "Compensation of employees and remuneration of directors.

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

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

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

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

The appropriations of earnings for 2022 and 2021 were as follows:

	Earnings distribution		Dividends per share (NT\$)	
	2022	2021	2022	2021
Legal reserve	\$ 66,549	\$ 65,165		
(Reversal) of special reserve	(13,538)	234		
Cash dividends	428,590	450,172	\$ 6	\$ 6.5

The aforementioned cash dividends were resolved to be distributed by the board of directors on March 21, 2023, and March 8, 2022, respectively, while the other items of earning distribution were resolved to be distributed by the shareholders' meeting on May 31, 2023, and May 27, 2022, respectively.

Due to the conversion of corporate bonds, the dividend payout ratio for ordinary shares in 2021 was adjusted because it affected the number of outstanding shares. The

Chairman was authorized to fully handle the adjustment of the dividend payout ratio to NT\$6.30212374 per share at the shareholders' meeting on May 27, 2022.

The appropriations of 2023's semi-annual earnings have been approved by the Company's board of directors in its meeting, respectively. The appropriations and cash dividends per share were as follows:

	<u>From July 1 to December 31, 2023</u>	<u>From January 1 to June 30, 2023</u>
Resolution date of the board's meeting	February 23, 2024	August 11, 2023
Legal reserve	<u>\$ 28,926</u>	<u>\$ 35,854</u>
Appropriation / (reversal) of special reserve	<u>(\$ 42,455)</u>	<u>\$ 35,598</u>
Cash dividends	<u>\$ 188,204</u>	<u>\$ 214,295</u>
Cash dividends per share (NT\$)	<u>\$ 2.5</u>	<u>\$ 3</u>

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.

22. REVENUE

	<u>2023</u>	<u>2022</u>
Revenue from customer contracts		
Merchandise sales revenue	<u>\$ 3,526,523</u>	<u>\$ 3,414,489</u>

i. 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.

ii. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable, net (Note 8)	\$ 547,430	\$ 544,428	\$ 551,475
Accounts receivable - related parties (Note 30)	<u>1,403</u>	<u>13,779</u>	<u>17,199</u>
	<u>\$ 548,833</u>	<u>\$ 558,207</u>	<u>\$ 568,674</u>

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets - current			
Sale of goods	<u>\$ 536,884</u>	<u>\$ 451,381</u>	<u>\$ 294,633</u>
Contract liabilities- current			
Sale of goods	<u>\$ 215,058</u>	<u>\$ 242,795</u>	<u>\$ 214,907</u>

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

	December 31, 2023	December 31, 2022
Expected credit loss	0.55%	0.03%
Total carrying amount	\$ 539,874	\$ 451,511
Allowance for loss (lifetime ECLs)	(<u>2,990</u>)	(<u>130</u>)
	<u>\$ 536,884</u>	<u>\$ 451,381</u>

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

	2023	2022
Opening balance	\$ 130	\$ 3,160
Add: Impairment loss for the year	2,860	-
Less: Reversal of impairment loss for the year	-	(3,030)
Closing balance	<u>\$ 2,990</u>	<u>\$ 130</u>

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

	December 31, 2023	December 31, 2022
<u>From contractual liabilities at the beginning of the year</u>		

Sale of goods	<u>\$ 204,010</u>	<u>\$ 206,217</u>
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iii. Breakdown of revenue from customer contracts

2023

		Reportable departments			
		Semiconductor carriers - PCB automation equipment	Semiconductor packaging and testing - LCD panel automation equipment	Semiconductor wafers - Semiconductor automation equipment	Total
Product type					
Merchandise sales	revenue	<u>\$ 1,819,021</u>	<u>\$ 223,527</u>	<u>\$ 1,483,975</u>	<u>\$ 3,526,523</u>
<u>2022</u>					

		Reportable departments			
		Semiconductor carriers - PCB automation equipment	Semiconductor packaging and testing - LCD panel automation equipment	Semiconductor wafers - Semiconductor automation equipment	Total
Product type					
Merchandise sales	revenue	<u>\$ 2,101,553</u>	<u>\$ 334,262</u>	<u>\$ 978,674</u>	<u>\$ 3,414,489</u>

23. NET PROFIT

i. Interest income

	<u>2023</u>	<u>2022</u>
Bank deposit	<u>\$ 4,949</u>	<u>\$ 1,378</u>

ii. Other income

	<u>2023</u>	<u>2022</u>
Consulting and service revenue	\$ 65,830	\$ 70,035
Dividend income	6,086	3,590
Other	<u>2,262</u>	<u>3,694</u>
	<u>\$ 74,178</u>	<u>\$ 77,319</u>

iii. Other gains and losses

	<u>2023</u>	<u>2022</u>
Gain on disposal of financial assets		
Financial assets at fair value through profit or loss	\$ -	\$ 1,777
	<u>2023</u>	<u>2022</u>
Interest in financial assets and financial liabilities		

Financial liabilities held for trading	140	-
Gains on disposal of property plant and equipment	38,043	-
Net gain (loss) on foreign currency exchange	(2,277)	19,206
Others	(4,441)	(3,639)
	<u>\$ 31,465</u>	<u>\$ 17,344</u>

iv. Financial costs

	2023	2022
Interest on bank loans	\$ 26,301	\$ 12,754
Interest on lease liabilities	336	269
Interest on corporate bonds payable	3,954	174
Less: The amount of the cost of qualifying assets	(2,149)	-
	<u>\$ 28,442</u>	<u>\$ 13,197</u>

Information related to the capitalization of interest is as follows:

	2023	2022
Amount of the capitalization of interest	\$ 2,149	\$ -
Rate of the capitalization of interest	1.80%~2.27%	-

v. Depreciation and amortization

	2023	2022
An analysis of depreciation by function		
Operating costs	\$ 24,636	\$ 21,339
Operating expenses	<u>8,329</u>	<u>8,475</u>
	<u>\$ 32,965</u>	<u>\$ 29,814</u>
An analysis of amortization by function		
Operating costs	\$ 851	\$ 449
Operating expenses	<u>20,494</u>	<u>19,115</u>
	<u>\$ 21,345</u>	<u>\$ 19,564</u>

For information on the amortization expenses of intangible assets allocated to individual items, please refer to Note 13.

vi. Employee benefits expenses

	<u>2023</u>	<u>2022</u>
Post-employment benefits (Note 20)		
Defined contribution plans	\$ 19,625	\$ 16,524
Other employee benefits	<u>735,305</u>	<u>689,724</u>
Total employee benefits expenses	<u>\$ 754,930</u>	<u>\$ 706,248</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 285,035	\$ 260,049
Operating expenses	<u>469,895</u>	<u>446,199</u>
	<u>\$ 754,930</u>	<u>\$ 706,248</u>

vii. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues employees' compensation and board directors' remuneration at the rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The estimated compensation of employees and the remuneration of directors for 2023 and 2022 were resolved by the board of directors on February 23, 2024 and February 24, 2023, respectively, as follows:

Accrual rate

	<u>2023</u>	<u>2022</u>
Compensation of employees	3.26%	3.71%
Remuneration of directors	1.09%	1.30%

Amount

	<u>2023</u>	<u>2022</u>
Compensation of employees	\$ 27,000	\$ 33,500
Remuneration of directors	9,000	11,700

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

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2022 and 2021.

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

viii. Gains or losses on foreign currency exchange

	2023	2022
Foreign exchange gains	\$ 31,980	\$ 50,632
Foreign exchange losses	(34,257)	(31,426)
Net gains (losses)	<u>(\$ 2,277)</u>	<u>\$ 19,206</u>

24. INCOME TAX

i. Income tax recognized in profit or loss:

Major components of income tax expense are as follows:

	2023	2022
Current income tax		
In respect of the current period	\$ 165,268	\$ 162,967
Surtax on undistributed earnings	8,831	6,097
In respect of prior years	(2,196)	824
	<u>171,903</u>	<u>169,888</u>
Deferred income tax		
In respect of the current period	(26,470)	21,085
Income tax expense recognized in profit or loss	<u>\$ 145,433</u>	<u>\$ 190,973</u>

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

	2023	2022
Net income before tax	<u>\$ 793,236</u>	<u>\$ 857,967</u>
Income tax expense at statutory rate on net income before tax	\$ 158,647	\$ 171,593
Non-deductible expenses for tax purposes	1,010	71
Tax-exempt income	(8,992)	(817)
Surtax on undistributed earnings	8,831	6,097
Other income tax effects adjusted according to tax laws	(15,697)	13,800
Adjustments to prior years' deferred income tax expense	3,830	(595)
Adjustments to prior years' current income tax expense	(2,196)	824
Income tax expense recognized in profit or loss	<u>\$ 145,433</u>	<u>\$ 190,973</u>

ii. Income tax recognized in other comprehensive income

	<u>2023</u>	<u>2022</u>
<u>Deferred income tax expenses</u>		
<u>(benefits)</u>		
Arising from current year		
Translation of foreign operating entities	(\$ 5,448)	\$ 3,403

iii. Current income tax assets and liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current income tax liabilities		
Income tax payable	\$ 74,547	\$ 124,885

iv. Deferred income tax assets and liabilities

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

2023

	<u>Opening balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Closing balance</u>
<u>Deferred income tax assets</u>				
Allowance for losses	\$ 2,256	\$ 2,021	\$ -	\$ 4,277
Loss on inventory devaluation	23,800	21,200	-	45,000
Provision for contingent service cost	11,400	(400)	-	11,000
Others	<u>28,939</u>	<u>3,125</u>	<u>-</u>	<u>32,064</u>
	<u>\$ 66,395</u>	<u>\$ 25,946</u>	<u>\$ -</u>	<u>\$ 92,341</u>

	<u>Opening balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Closing balance</u>
<u>Deferred tax liabilities</u>				
Income from foreign investments recognized under the equity method	<u>\$156,470</u>	<u>(\$ 524)</u>	<u>(\$ 5,448)</u>	<u>\$150,498</u>

2022

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
<u>Deferred income tax assets</u>				
Allowance for losses	\$ 4,926	(\$ 2,670)	\$ -	\$ 2,256
Loss on inventory devaluation	7,600	16,200	-	23,800
Provision for contingent service cost	7,200	4,200	-	11,400
Others	18,845	10,094	-	28,939
	<u>\$ 38,571</u>	<u>\$ 27,824</u>	<u>\$ -</u>	<u>\$ 66,395</u>
<u>Deferred tax liabilities</u>				
Income from foreign investments recognized under the equity method	<u>\$104,158</u>	<u>\$ 48,909</u>	<u>\$ 3,403</u>	<u>\$156,470</u>

v. Income tax assessments

The income tax returns of the Company through 2021 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

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

Net Profit for the Year

	2023	2022
Earnings used in the computation of basic per share	\$ 647,803	\$ 666,994
Effects of potentially dilutive ordinary shares:		
Interest on convertible bonds	<u>3,954</u>	<u>174</u>
Net profit used in the computation of diluted earnings per share	<u>\$ 651,757</u>	<u>\$ 667,168</u>

SHARES

Unit: In Thousands of Shares

	<u>2023</u>	<u>2022</u>
Weighted-average number of ordinary shares used in the computation of basic earnings per share	72,898	70,908
Effects of potentially dilutive ordinary shares:		
Compensation of employees	308	486
Conversion of corporate bonds	<u>2,854</u>	<u>524</u>
Weighted-average number of ordinary shares used in the computation of diluted earnings per share	<u>76,060</u>	<u>71,918</u>

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

26. Share-based payment arrangementsEmployee stock options

In August 2023, for the new shares issued under capital increase by cash of the Company, 578 thousand shares were open for stock options to employees, including those who met certain criteria.

The Company adopted the Black-Scholes valuation model, and the inputs used in the valuation model were as follows:

	<u>August, 2023</u>
Expected volatility rate	36.83%
Risk-free interest rate	1.16%
Expected duration	0.156 years
Price per share	93 NT\$
Stock market price on the date of transaction	114.24 NT\$
Employee stock options	578 thousands shares

The salary expenses recognized in 2023 was \$12,647 thousand.

27. NON-CASH TRANSACTIONS

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

28. CAPITAL RISK MANAGEMENT

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

29. FINANCIAL INSTRUMENTS

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

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

December 31, 2023

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

December 31, 2022: None.

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

1. Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
<u>at FVTOCI</u>				
<u>Investments in equity instruments</u>				
- Listed shares	\$ 129,390	\$ -	\$ -	\$ 129,390
- Unlisted shares	-	-	39,700	39,700
	<u>\$ 129,390</u>	<u>\$ -</u>	<u>\$ 39,700</u>	<u>\$ 169,090</u>
<u>Financial liabilities</u>				
<u>at FVTPL</u>				
Derivatives	\$ -	\$ 930	\$ -	\$ 930

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
<u>at FVTOCI</u>				
Investments in equity instruments				
- Emerging stocks	\$ -	\$ -	\$ 110,813	\$ 110,813
- Unlisted shares	-	-	9,630	9,630
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,443</u>	<u>\$ 120,443</u>

There are no transfers between Level 1 and Level 2 fair value measurements in 2023 and 2022.

2. Reconciliation of Level 3 fair value measurements of financial instruments
2023

	Financial assets at fair value through other comprehensive income
<u>Financial assets</u>	<u>Equity instruments</u>
Opening balance	\$ 120,443
Recognized in other comprehensive income (unrealized gain or loss on financial assets at fair value through other comprehensive income)	10,070
Additions	20,000
Transfer out of Level 3	(110,813)
Closing balance	<u>\$ 39,700</u>

2022

	Financial assets at fair value through other comprehensive income
<u>Financial assets</u>	<u>Equity instruments</u>
Opening balance	\$ 137,019
Recognized in other comprehensive income (unrealized gain or loss on financial assets at fair value through other comprehensive income)	(1,576)
Disposal	(15,000)
Closing balance	<u>\$ 120,443</u>

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

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

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

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

iii. Categories of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 1,761,804	\$ 1,029,413
Financial assets at fair value through other comprehensive income		
Investments in equity instruments	169,090	120,443
Investment in debt instruments	39,165	129,585
<u>Financial liabilities</u>		
Financial assets at fair value through profit or loss		
Held for trading	930	-
At amortized cost (Note 2)	1,938,517	1,860,567

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

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

iv. Financial risk management objectives and policies

The Company's major financial instruments include cash and cash equivalents, investments in equity and debt instruments, notes receivable, accounts receivable -

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

1. Market risk

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

(1) Foreign currency risk

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

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

Sensitivity analysis

The Company was mainly exposed to RMB and USD.

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

	RMB Impact (Note)		USD Impact (Note)	
	2023	2022	2023	2022
Profit or loss	\$ 276	\$ 1,474	\$ 3,646	\$ 2,433

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

The decrease in the Company's sensitivity to RMB exchange rate for the year was mainly due to the decrease in accounts receivable denominated in RMB; the increase in the Company's sensitivity to USD exchange rate for the year was mainly due to the increase in bank deposit and accounts receivable denominated in USD.

(2) Interest rate risk

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

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fair value interest rate risk		
- Financial liabilities	\$ 285,898	\$ -
Cash flow interest rate risk		
- Financial liabilities	1,214,201	906,211

Sensitivity analysis

The sensitivity analysis of interest rate risk was determined based on the interest rate risk as of the end of the financial reporting period. If interest rates were to increase by 1%, with all other variables held constant, the Company's net income before income taxes would decrease by \$12,142 thousand and \$9,062 thousand for 2023 and 2022, respectively.

The increase in the Company's sensitivity to interest rates was mainly due to the increase in bank loans with variable interest rates during the year.

(3) Other price risk

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

Sensitivity analysis

The following sensitivity analysis was performed based on the equity price risk at the reporting period.

If the equity price increases/decreases by 5%, other comprehensive income before income tax will increase/ decrease by \$8,454 thousand and \$6,022 thousand in 2023 and 2022, respectively, due to the increase/decrease in fair value of financial assets at fair value through other comprehensive income.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the period, the Company's maximum exposure to credit risk, which will cause a financial loss to the Company due to the failure of the counterparty to discharge an obligation approximates the carrying amount of the respective recognized financial assets as stated in the parent company only balance sheets.

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

The Company's credit risk is mainly concentrated in the Company's top three customers. As of December 31, 2023 and 2022, the percentage of total accounts receivable from these customers is 44% and 46%, respectively.

3. Liquidity risk

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

As of December 31, 2023 and 2022, the Company had unutilized financing facilities of \$2,106,238 thousand and \$338,040 thousand, respectively.

The following tables show the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up on the basis of the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 167,177	\$ 108,056	\$ 163,185	\$ -	\$ -
Lease liabilities	1,045	2,024	8,547	8,586	-
Variable rate instruments	3,714	7,377	260,653	710,094	322,824
Fixed rate instruments	-	-	-	300,000	-
	<u>\$ 171,936</u>	<u>\$ 117,457</u>	<u>\$ 432,385</u>	<u>\$ 1,018,680</u>	<u>\$ 322,824</u>

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

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

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 250,203	\$ 326,247	\$ 377,906	\$ -	\$ -
Lease liabilities	1,831	3,662	15,684	11,429	-
Variable rate instruments	2,990	5,949	185,182	721,635	13,945
	<u>\$ 255,024</u>	<u>\$ 335,858</u>	<u>\$ 578,772</u>	<u>\$ 733,064</u>	<u>\$ 13,945</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Variable rate instruments	<u>\$ 194,121</u>	<u>\$ 721,635</u>	<u>\$ 6,557</u>	<u>\$ 6,049</u>	<u>\$ 1,339</u>

v. Information on the transfer of financial assets

Information on the sale of outstanding receivables of the Company at the end of the year is as follows:

December 31, 2023

Counterparty	Factoring amount	Amount transferred to other receivables	Amount available for cash advance	Total cash advance	Interest rate of total cash advance (%)
Fubon Bank	\$ 93,927	\$ 9,393	\$ -	\$ 84,534	1.987~1.991
O-Bank	6,164	616	-	5,548	1.9377
	<u>\$ 100,091</u>	<u>\$ 10,009</u>	<u>\$ -</u>	<u>\$ 90,082</u>	

December 31, 2022

Counterparty	Factoring amount	Amount transferred to other receivables	Amount available for cash advance	Total cash advance	Interest rate of total cash advance (%)
Fubon Bank	\$ 266,495	\$ 26,650	\$ -	\$ 239,845	1.442~1.709
O-Bank	36,515	3,651	-	32,864	1.463~1.642
	<u>\$ 303,010</u>	<u>\$ 30,301</u>	<u>\$ -</u>	<u>\$ 272,709</u>	

Under the factoring contracts, losses arising from commercial disputes (such as sales returns or discounts) are borne by the Company, while losses arising from credit risk are borne by the banks.

30. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and its related parties are disclosed below.

i. Related Parties and Relationships with Them

Name of Related Party	Relationship
Symtek Automation China Co., Ltd.	Subsidiary
Protek Technology Limited	Other related parties - Key management companies
Dongguan Protek Machinery Co., Ltd.	Other related parties - Key management companies
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)

ii. Operating revenue

Line Item	Related Party Category	2023	2022
Sales revenue	Subsidiary	<u>\$ 18,256</u>	<u>\$ 48,402</u>

The transaction prices and collection terms of sales transactions with related parties are not materially different from those of non-related parties.

iii. Purchases

<u>Related Party Category</u>	<u>2023</u>	<u>2022</u>
Subsidiary	<u>\$ 23,620</u>	<u>\$ 5,769</u>

The terms of the purchase transactions between the Company and its related parties are determined by mutual agreement as there are no similar transactions.

iv. Receivables from related parties (excluding lending to related parties)

<u>Line Item</u>	<u>Name of Related Party</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable - related parties	Symtek Automation China Co., Ltd.	<u>\$ 1,403</u>	<u>\$ 13,779</u>

No guarantees are received for accounts receivable from related parties in circulation. No loss allowance has been recognized for accounts receivable from related parties in 2023 and 2022.

v. Accounts payable to related parties (excluding loans from related parties)

<u>Line Item</u>	<u>Related Party Category</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable	Subsidiary	<u>\$ 27</u>	<u>\$ 574</u>

No guarantees were provided for the balance of the outstanding accounts payable to related parties.

vi. Other related party transactions

<u>Related Party Category/Name</u>	<u>2023</u>	<u>2022</u>
Other income (consulting and advisory services revenue)		
Symtek Automation China Co., Ltd.	<u>\$ 65,830</u>	<u>\$ 70,035</u>
Selling and marketing expenses		
Substantial related parties	<u>\$ 4,255</u>	<u>\$ -</u>

<u>Related Party Category/Name</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other receivables - related parties		
Symtek Automation China Co., Ltd.	<u>\$ 24,507</u>	<u>\$ 37,855</u>
Other payables		
Substantial related parties	<u>\$ 796</u>	<u>\$ -</u>

Other income is the amount received by the Company for technical consulting services provided to Symtek Automation China Co., Ltd., and the collection period is subject to mutual agreement.

Expenses incurred by the Company for services rendered by a related party on behalf of the Company are paid on a monthly basis within 120 days of at the end of every month.

vii. Compensation of key management personnel

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	<u>\$ 42,633</u>	<u>\$ 43,955</u>

The remuneration of board directors and salaries of other key management personnel are decided by remuneration and compensation committee based on individual performance and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets have been provided as collateral for financing loans, tariff guarantees for imported raw materials, or security deposits for the employment of foreign workers:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Property, plant and equipment	<u>\$ 1,522,205</u>	<u>\$ 1,585,938</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS:

Significant contingent liabilities and unrecognized commitments of the Company as of the end of the reporting period, excluding those disclosed in other notes, were as follows:

- i. As of December 31, 2023, the Company had notes as guarantee amounting to \$23 thousand and letters as guarantee amounting to \$35,532 thousand for purchases and sales of goods.
- ii. The construction contracts the Company has entered into amounted to \$1,396,880 thousand (including tax), and as of December 31, 2023, the payment the Company had not yet paid amounted to \$1,073,466 thousand (including tax).

33. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE: NONE

34. INFORMATION ON FOREIGN CURRENCY ASSETS AND LIABILITIES WITH SIGNIFICANT EFFECT

The following information is expressed in a summary of foreign currencies other than the functional currency of the Company. The disclosed exchange rates are the rates at which these foreign currencies are converted into the functional currency. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2023

<u>Foreign Currencies</u>	<u>Exchange Rates</u>	<u>Carrying Amount</u>
-------------------------------	-----------------------	----------------------------

Financial assetsMonetary items

USD	\$ 11,943	30.71 (USD:NTD)	\$ 366,699
EUR	89	33.98 (EUR:NTD)	3,019
JPY	16,213	0.22 (JPY:NTD)	3,521
RMB	8,161	4.33 (RMB:NTD)	35,313
			<u>\$ 408,552</u>

Non-monetary items

Investments

accounted for
using the equity
method

RMB	357,017	4.33 (RMB:NTD)	<u>\$ 1,544,802</u>
-----	---------	----------------	---------------------

Financial liabilitiesMonetary 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)	7,683
			<u>\$ 27,039</u>

December 31, 2022

	Foreign Currencies	Exchange Rates	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 7,956	30.71 (USD:NTD)	\$ 244,334
EUR	155	32.72 (EUR:NTD)	5,073
JPY	22,889	0.23 (JPY:NTD)	5,319
RMB	36,659	4.41 (RMB:NTD)	161,594
			<u>\$ 416,320</u>
<u>Non-monetary items</u>			
Investments			
accounted for			
using the equity			
method			
RMB	357,026	4.41 (RMB:NTD)	<u>\$ 1,572,182</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	33	30.71 (USD:NTD)	\$ 1,024
EUR	124	32.72 (EUR:NTD)	4,051
JPY	60,070	0.23 (JPY:NTD)	13,960
RMB	3,215	4.41 (RMB:NTD)	14,174
			<u>\$ 33,209</u>

The significant unrealized foreign exchange gains (losses) were as follows:

Foreign Currencies	2023		2022	
	Exchange Rates	Net Foreign Exchange Gains (Losses)	Exchange Rates	Net Foreign Exchange Gains (Losses)
USD	30.71 (USD:NTD)	(\$ 715)	30.71 (USD:NTD)	\$ 307
EUR	33.98 (EUR:NTD)	66	32.72 (EUR:NTD)	(39)
JPY	0.22 (JPY:NTD)	(92)	0.23 (JPY:NTD)	(581)
RMB	4.33 (RMB:NTD)	(222)	4.41 (RMB:NTD)	259
		(\$ 963)		(\$ 54)

35. SEPARATELY DISCLOSED ITEMS

i. INFORMATION ABOUT SIGNIFICANT TRANSACTIONS:

1. Financing provided to others: (None).
2. Endorsements/guarantees provided: (None).
3. Marketable securities held. (Table 1)
4. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: (None).
5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (Table 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: See Note 16 and 29.

ii. INFORMATION ON INVESTEEES. (Table 3)

iii. INFORMATION ON INVESTMENTS IN MAINLAND CHINA:

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, profit or loss for the period and investment income or loss recognized, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 4)

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 5)

- (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
- (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
- (3) The amount of property transactions and the amount of the resultant gains or losses.
- (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
- (5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.
- (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

iv. INFORMATION OF MAJOR SHAREHOLDERS:

The name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder of shareholders with ownership of 5% or greater. (Table 6)

SYMTEK AUTOMATION ASIA CO., LTD.
MARKETABLE SECURITIES HELD
DECEMBER 31, 2023

TABLE 1

(In Thousands of New Taiwan Dollars/Thousands of Shares)

Holding Company	Marketable Securities Type/Name (Note)	Relationship with the Holding Company	Line Item	At the End of the Year				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Symtek Automation Asia Co., Ltd.	<u>Equity investment</u>							
	New Smart Technology Co., Ltd.	None	Financial assets at fair value through profit or loss - 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%	129,390	
	Great Talent Tech Co., Ltd.	None	"	100	1,000	6.25%	1,000	
	TSS Holdings Limited	None	"	2,000	20,000	12.50%	29,830	
	Add: Valuation adjustment on financial assets at fair value through other comprehensive income				<u>24,469</u>		<u>-</u>	
					<u>\$ 169,090</u>		<u>\$ 169,090</u>	

Note1: Marketable securities referred to in this table are marketable securities derived from stocks that fall within the scope of IFRS 9, "Financial Instruments".

Note2: Refer to Tables 3 and 4 for information about subsidiaries and associates.

SYMTEK AUTOMATION ASIA CO., LTD.
ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR 2023

TABLE 2 (In Thousands of New Taiwan Dollars)

Company that acquires the property	Asset	Date of occurrence	Transaction amount	Payment	Counterparty	Relationship	Prior Transaction of Related Counterparty				Reference for price determination	Purpose of acquisition and use	Other contractual matters
							Owner	Relationship with the issuer	Date of transfer	Amount			
Symtek Automation Asia Co., Ltd.	New construction of factory	July 15, 2023 (Note)	\$ 1,396,880	\$323,414 has been paid as of December 31, 2023 (Including business tax)	True-Dreams Construction Co., Ltd.	Non-related party	-	-	-	\$ -	Negotiated by both parties	Self use	-

Note1: This is the date of the board of directors' resolution.

SYMTEK AUTOMATION ASIA CO., LTD.
INFORMATION ON INVESTEEES
YEAR 2023

TABLE 3

(In Thousands of New Taiwan Dollars/Thousands of Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Held at the End of the Year			Profit or Loss of the Investee	Investment Profit or Loss Recognized	Note
				At the End of Current Period	December 31, 2021	Number of Shares	Percentage of Ownership	Carrying Amount			
Symtek Automation Asia Co., Ltd.	Symtek Automation Ltd.	British Virgin Islands	Investment	\$ 298,447	\$ 298,447	26,272	100%	\$1,544,802	\$ 217,474	\$ 219,958 (Note 1)	Subsidiary
Symtek Automation Ltd.	Symtek Automation China Co., Ltd.	China	Equipment manufacturing and sales	298,447	298,447	26,272	100%	1,544,802	217,474	219,958 (Note 1)	Second-tier subsidiary
Symtek Automation China Co., Ltd.	Symtek Technology Jiangsu Co., Ltd.	China	Equipment manufacturing and sales	71,443	71,443	16,200	60%	63,662	(839)	(504)	Second-tier subsidiary
Symtek Technology Jiangsu Co., Ltd.	Symtek Automation Technology Thailand Co., Ltd.	Thailand	Equipment sales	16,828	-	180	100%	14,676	(1,553)	(1,553)	Second-tier subsidiary (Note 2)

Note1: The amount of \$217,474 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 \$3,08 thousand and the unrealized gain or loss of (\$604) thousand from the downstream transactions.

Note2: In May 2023, Symtek Thailand has completed the registration as a company.

SYMTEK AUTOMATION ASIA CO., LTD.
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
YEAR 2023

TABLE 4

(In Thousands of New Taiwan Dollars/Thousands of Shares)

YEAR 2022 Company name	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	At the Beginning of the Year Accumulated Outward Remittance for Investment from Taiwan Original Investment Amount	Remittance of Funds		At the End of Current Period Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Investee Company Investment Profit or Loss Recognized	% Ownership of Direct or Indirect Investment	Investment Profit or Loss Recognized (Note 2)	Carrying Amount at the End of the Year	Accumulated Inward Remittance of Earnings as of the End of Year	N o t e
					Outward	Inward							
Symtek Automation China Co., Ltd.	Equipment manufacturing and sales	\$818,750 (RMB 180,000 thousand)	(2) (Note 5)	\$ 298,447	\$ -	\$ -	\$ 298,447	\$ 217,474	100%	\$ 219,958 (Note 3)	\$ 1,544,802	\$ 220,100	
Symtek Technology Jiangsu Co., Ltd.	Equipment manufacturing and sales	120,713 (RMB 27,000 thousand)	(3) (Note 6)	-	-	-	-	(839)	60% (Note 7)	(504) (Note 4)	63,662	-	

Accumulated Investments in Mainland China as of the End of Year	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on of Investments Stipulated by the Investment Commission, MOEA
\$ 298,447 (HKD39,800 thousand and RMB30,000 thousand)	\$ 778,860 (HKD48,000 thousand and RMB135,137 thousand)	\$ 2,426,801

Note 1: The followings are three types of investment methods and can be labeled as follows:

- (1) Direct investment in Mainland China.
- (2) Reinvesting in China through a third-party company (please specify the third-party investment company).
- (3) Other methods.

Note 2: For the column of "Investment Profit or Loss Recognized":

- (1) If the investment is under preparation and no investment profit or loss is available, please specify.
- (2) Investment profit or loss is recognized on the following three bases, which should be specified:
 - A. Financial statements audited by an international accounting firm with which the R.O.C. accounting firm has a cooperative relationship.
 - B. Financial statements audited by a certified public accountant of the parent company in Taiwan.
 - C. Others.

Note 3: The investment profit or loss was recognized based on Note 2, (2) B., which was based on the investee's financial statements audited by the parent company's accountants in Taiwan, and the net income of the investee was recognized in proportion to the equity in the investee's net income of \$217,474 thousand, after adjusting for the realized gain or loss of \$3,088 thousand and the unrealized gain or loss of (\$604) thousand on the downstream transactions.

Note 4: The recognition basis for investment gains or losses is based on Note 2, item (2) B. Investment gains or losses are recognized based on the financial statements of the invested company during the same period as audited by the Taiwan parent company's accountant, and recognized according to the equity ratio. The net loss of the invested company was \$503 thousand.

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

Note 6: A company reinvested by the second-tier subsidiary Symtek Automation China Co., Ltd.

Note 7: In September 2022, Symtek China did not subscribe for the shares issued from capital increase of Symtek Jiangsu according to its shareholding proportion, resulting in a decrease in its shareholding proportion from 100% to 60%.

SYMTEK AUTOMATION ASIA CO., LTD.
DETAILS OF SIGNIFICANT TRANSACTIONS WITH INVESTEES IN MAINLAND CHINA
YEAR 2023

TABLE 5 (In Thousands of New Taiwan Dollars)

Purchases

Investee Company			Business in Third Region	Trading Terms			Purchase		Notes and Accounts Payable		
				Price	Payment Terms	Compared with General Trading	Amount	%	Ending Balance	%	Note
Symtek Automation China Co., Ltd.			—	As negotiated by the parties Price	Within 3 months of delivery	No similar transactions as reference	\$ 23,620	2.24%	\$ 27	0.01%	-

Sales

Investee Company			Business in Third Region	Trading Terms			Sale		Gross Profit on Sales	Unrealized Gross Profit on Sales	Notes and Accounts Receivable		Note
				Price	Payment Terms	Compared with General Trading	Amount	%			Ending Balance	%	
Symtek Automation Co., Ltd.	China		—	Under normal trading conditions	Within 4 months of delivery	Equivalent	\$ 18,256	0.52%	\$ 3,390	\$ 604	\$ 1,403	0.24%	-

SYMTEK AUTOMATION ASIA CO., LTD.
INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

TABLE 6

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

Note1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the parent company only financial statements may differ from the actual number of shares that have been issued without physical registration because of differences in the basis of preparation.

Note2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System website of the TWSE.

§ STATEMENTS OF MAJOR ACCOUNTING ITEMS §

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SYMTEK AUTOMATION ASIA CO., LTD.

STATEMENT OF CASH

DECEMBER 31, 2023

STATEMENT 1

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

Item	Summary	Total
Cash on hand		\$ 268
Bank deposit		
Cheques and demand deposits		1,179,638
Foreign currency demand deposits	HKD3 thousand@3.938, USD552 thousand @30.705, EUR89 thousand@33.98, RMB389 thousand@4.327 and JPY16,173 thousand@0.2172	<u>25,174</u>
		<u>\$1,205,080</u>

SYMTEK AUTOMATION ASIA CO., LTD.

STATEMENT OF NOTES RECEIVABLE

DECEMBER 31, 2023

STATEMENT 2

(In Thousands of New Taiwan Dollars)

Item	Amount
Company A	\$ 2,928
Company B	634
Other (Note)	16
Less: Loss allowance	-
Non-related party	<u>\$ 3,578</u>

Note 1: The balance of each item does not exceed 5% of the balance of this account.

SYMTEK AUTOMATION ASIA CO., LTD.

STATEMENT OF TRADE RECEIVABLES

DECEMBER 31, 2023

STATEMENT 3

(In Thousands of New Taiwan Dollars)

Item	Amount
Non-related party	
Company A	\$ 190,593
Company B	103,534
Company C	78,958
Company D	75,449
Company E	33,943
Company F	32,279
Other (Note)	<u>56,834</u>
	571,590
Less: Loss allowance	(<u>24,160</u>)
	<u>\$ 547,430</u>
Related party	
Symtek Automation China Co., Ltd.	<u>\$ 1,403</u>

Note 1: The balance of each item does not exceed 5% of the balance of this account.

SYMTEK AUTOMATION ASIA CO., LTD.

STATEMENT OF INVENTORIES

DECEMBER 31, 2023

STATEMENT 4

(In Thousands of New Taiwan Dollars)

Item	Cost	Net Realizable Value
Raw materials	\$ 90,044	\$ 69,272
Work-in-process	927,996	1,136,861
Finished goods	<u>29,186</u>	<u>36,814</u>
	1,047,226	<u>\$ 1,242,947</u>
Less: Allowance for inventory write-down	(<u>225,000</u>)	
	<u>\$ 822,226</u>	

SYMTEK AUTOMATION ASIA CO., LTD.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

YEAR 2023

STATEMENT 5

(In Thousands of New Taiwan Dollars/Thousands of Shares)

Item	At the Beginning of the Year		Increase		Decrease		At the End of the Year		Accumulated Impairment	Guarantees or Pledges	Note
	Number of Shares	Fair Value	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Fair Value			
Investments in equity instruments											
New Smart Technology Co., Ltd.	515	\$ 8,630	-	\$ 240	-	\$ -	515	\$ 8,870	N/A	None	Note 1
Ever Radiant Inc.	560	-	-	-	-	-	560	-	N/A	None	—
SynPower Co., Ltd.	2,992	110,813	-	18,577	-	-	2,992	129,390	N/A	None	Note 2
Great Talent Tech Co., Ltd.	100	1,000	-	-	-	-	100	1,000	N/A	None	—
TSS Holdings Limited	-	-	2,000	29,830	-	-	2,000	29,830	N/A	None	Note 3
		<u>\$120,443</u>		<u>\$ 48,647</u>		<u>\$ -</u>		<u>\$169,090</u>			

Note1: The increase for this period is due to unrealized gains of \$240 thousand measured at fair value.

Note2: The increase for this period is due to unrealized gains of \$18,577 thousand measured at fair value.

Note3: The increase for this period is due to unrealized gains of \$9,830 thousand measured at fair value and addition of 20,000 thousand.

SYMTEK AUTOMATION ASIA CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
YEAR 2023

STATEMENT 6

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

Investee Company	Opening Balance		Increase (decrease)		Investment Gains	Investment Income Recognized During the Year	Realized Gross Profit on Sales	Unrealized Gross Profit on Sales Recognized During the Year	Translation Adjustment	Closing Balance			
	Number of Shares (in thousands)	Amount	Number of Shares (in thousands)	Amount						Number of Shares (in thousands)	Percentage of Ownership (%) (%)	Amount at End of Year	Guarantees or Pledges
Symtek Automation Ltd.	26,272	<u>\$ 1,572,182</u>	-	<u>\$ -</u>	<u>(\$ 220,100)</u>	<u>\$ 217,474</u>	<u>\$ 3,088</u>	<u>(\$ 604)</u>	<u>(\$ 27,238)</u>	26,272	100	<u>\$ 1,544,802</u>	None

SYMTEK AUTOMATION ASIA CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
YEAR 2023

STATEMENT 7

(In Thousands of New Taiwan Dollars)

Item	Opening Balance	Increase	Decrease	Closing Balance	Note
Land	\$ 8,176	\$ -	\$ -	\$ 8,176	
Buildings	33,008	8,560	(26,393)	15,175	
Transportation equipment	<u>9,256</u>	<u>6,572</u>	(<u>6,315</u>)	<u>9,513</u>	
	<u>\$ 50,440</u>	<u>\$ 15,132</u>	(<u>\$ 32,708</u>)	<u>\$ 32,864</u>	

SYMTEK AUTOMATION ASIA CO., LTD.

STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE

ASSETS

YEAR 2023

STATEMENT 8

(In Thousands of New Taiwan Dollars)

Item	Opening Balance	Increase	Decrease	Closing Balance	Note
Land	\$ 1,692	\$ 1,692	\$ -	\$ 3,384	
Buildings	10,082	15,345	(19,428)	5,999	
Transportation equipment	<u>6,494</u>	<u>3,537</u>	(<u>6,315</u>)	<u>3,716</u>	
	<u>\$ 18,268</u>	<u>\$ 20,574</u>	(<u>\$ 25,743</u>)	<u>\$ 13,099</u>	

SYMTEK AUTOMATION ASIA CO., LTD.
STATEMENT OF SHORT-TERM LOANS
DECEMBER 31, 2023

STATEMENT 9

(In Thousands of New Taiwan Dollars)

<u>Bank</u>	<u>Type</u>	<u>Closing Balance</u>	<u>Contract Term</u>	<u>Interest Rate (%)</u>	<u>Financing Amount</u>	<u>Collateral or Guarantee</u>
Fubon Bank	Credit loan	<u>\$200,000</u>	2023/12/25-2024/12/24	1.99%	<u>\$ 200,000</u>	None

SYMTEK AUTOMATION ASIA CO., LTD.

STATEMENT OF ACCOUNTSPAYABLES

DECEMBER 31, 2023

STATEMENT 10

(In Thousands of New Taiwan Dollars)

Item	Summary	Amount
Non-related party		
Company A	Loan	\$ 42,196
Company B	"	30,679
Other (Note)	"	<u>365,516</u>
		<u>\$ 438,391</u>
Related party		
Symtek Automation China Co., Ltd.	"	<u>\$ 27</u>

Note 1: The balance of each item does not exceed 5% of the balance of this account.

SYMTEK AUTOMATION ASIA CO., LTD.
STATEMENT OF CONTRACT LIABILITIES
DECEMBER 31, 2023

STATEMENT 11

(In Thousands of New Taiwan Dollars)

Item	Amount
Non-related party	
Company A	\$ 131,236
Company B	35,548
Company C	18,938
Company D	15,540
Company E	11,066
Other (Note)	<u>2,730</u>
	<u>\$ 215,058</u>

Note 1: The balance of each item does not exceed 5% of the balance of this account.

SYMTEK AUTOMATION ASIA CO., LTD.
STATEMENT OF CORPORATE BONDS PAYABLE TABLE
DECEMBER 31, 2023

STATEMENT 12

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

Item	Trustee	Issuance Date	Rate (%)	Total Amount	Buy-backed and Converted Amount	Closing Balance	Interest Payable	Unamortized Discount	Book Value	Repayment Method	Guarantees
Second domestic unsecured convertible bonds in 2023	KGI Securities Co., Ltd.	112.5.5	-	<u>\$300,000</u>	<u>\$ -</u>	<u>\$300,000</u>	<u>\$ -</u>	<u>\$ 14,102</u>	<u>\$285,898</u>	See Note 16	None

SYMTEK AUTOMATION ASIA CO., LTD.

STATEMENT OF LONG-TERM LOANS

DECEMBER 31, 2023

STATEMENT 13

(In Thousands of New Taiwan Dollars)

Bank		Summary	Contract Term	Repayment Method	Annual Interest Rate (%)	Due Within One Year	Due After One Year	Total	Collateral or Guarantee
Hua Commercial Bank	Nan	Bank guaranteed loans	98.08-113.08	Principal repayment in equated monthly installments	1.960%	\$ 1,778	\$ -	\$ 1,778	See Note 31
Hua Commercial Bank	Nan	Bank guaranteed loans	108.02-128.02	Principal repayment in equated monthly installments	2.040%	1,135	16,072	17,207	See Note 31
O-Bank		Bank guaranteed loans	108.04-115.03	The first installment was repaid from March 2020. The principal is repaid in 73 monthly installments over 6 years, with interest paid monthly.	1.586%	16,438	20,548	36,986	None
Hua Commercial Bank	Nan	Bank guaranteed loans	111.07-119.07	The first installment will be repaid starting from August 2026. The principal is repaid in 48 monthly installments over 4 years, with interest paid monthly.	1.940%	-	500,000	500,000	See Note 31
O-Bank		Bank guaranteed loans	112.06-117.06	The first installment will be repaid starting from June 2024. The principal is repaid in 48 monthly installments over 4 years, with interest paid monthly.	1.950%	28,571	171,429	200,000	None
Hua Commercial Bank	Nan	Bank guaranteed loans	112.09-119.07	The first installment will be repaid starting from August 2026. The principal is repaid in 46 monthly installments over 4 years, with interest paid monthly.	2.180%	-	223,000	223,000	None
Hua Commercial Bank	Nan	Bank guaranteed loans	112.12-119.07	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.	2.180%	-	35,230	35,230	None
						<u>\$ 47,922</u>	<u>\$ 966,279</u>	<u>\$ 1,014,201</u>	

SYMTEK AUTOMATION ASIA CO., LTD.

STATEMENT OF OPERATING REVENUE

YEAR 2023

STATEMENT 14

(In Thousands of New Taiwan Dollars)

Item	Summary	Amount
Semiconductor carriers - PCB automation equipment (IBU)	1,009 sets	\$ 1,819,058
Semiconductor packaging and testing - LCD panel automation equipment (BBU)	29 sets	223,527
Semiconductor wafers - Semiconductor automation equipment (FBU)	312 sets	1,483,975
Less: Sales discounts and returns		(37)
		<u>\$ 3,526,523</u>

SYMTEK AUTOMATION ASIA CO., LTD.

STATEMENT OF OPERATING COSTS

YEAR 2023

STATEMENT 15

(In Thousands of New Taiwan Dollars)

Item	Amount
Direct raw materials	
Raw material at the beginning of the year	\$ 141,154
Current feedstock	1,054,058
Raw material at the end of the year	(90,044)
Direct materials	1,105,168
Direct labor	227,871
Manufacturing costs	<u>537,558</u>
Total manufacturing costs	1,870,597
Inventory of work in process at the beginning of the year	1,391,600
Inventory of work in process at the end of the year	(<u>927,996</u>)
Cost of finished goods	2,334,201
Inventory of finished goods at the beginning of the year	10,184
Inventory of finished goods at the end of the year	(<u>29,186</u>)
Cost of production and sales	2,315,199
Loss on inventory devaluation	<u>106,000</u>
Total operating costs	<u>\$ 2,421,199</u>

SYMTEK AUTOMATION ASIA CO., LTD.
STATEMENT OF OPERATING EXPENSES
YEAR 2023

STATEMENT 16

(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	Administrati ve Expenses	Research and Development Expenses	Expected Credit Impairment Loss	Total
Salary expenses	\$ 58,179	\$ 172,879	\$ 202,179	\$ -	\$ 433,237
Insurance premiums	5,074	5,422	15,926	-	26,422
Amortization expenses	-	16,551	3,943	-	20,494
Traveling expenses	5,698	1,143	6,811	-	13,652
Entertainment expenses	6,050	1,366	5	-	7,421
Advertising expenses	6,017	161	-	-	6,178
Expected credit impairment loss	-	-	-	10,050	10,050
Other (Note)	<u>17,527</u>	<u>38,372</u>	<u>40,843</u>	<u>-</u>	<u>96,742</u>
Total	<u>\$ 98,545</u>	<u>\$ 235,894</u>	<u>\$ 269,707</u>	<u>\$ 10,050</u>	<u>\$ 614,196</u>

Note 1: The balance of each item does not exceed 5% of the balance of this account.

SYMTEK AUTOMATION ASIA CO., LTD.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION
AND AMORTIZATION EXPENSES BY FUNCTION

FROM JANUARY 1 TO DECEMBER 31, 2023 AND 2022

STATEMENT 17

(In Thousands of New Taiwan Dollars)

	2023			2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expenses						
Salary	\$ 227,871	\$ 424,237	\$ 652,108	\$ 211,631	\$ 399,382	\$ 611,013
Labor and health insurance	27,027	23,820	50,847	20,845	22,026	42,871
Pension	10,490	9,135	19,625	8,033	8,491	16,524
Remuneration of directors	-	9,000	9,000	-	11,700	11,700
Other employee benefit expenses	19,647	3,703	23,350	19,540	4,600	24,140
	<u>\$ 285,035</u>	<u>\$ 469,895</u>	<u>\$ 754,930</u>	<u>\$ 260,049</u>	<u>\$ 446,199</u>	<u>\$ 706,248</u>
Depreciation expenses	<u>\$ 24,636</u>	<u>\$ 8,329</u>	<u>\$ 32,965</u>	<u>\$ 21,339</u>	<u>\$ 8,475</u>	<u>\$ 29,814</u>
Amortization expenses	<u>\$ 851</u>	<u>\$ 20,494</u>	<u>\$ 21,345</u>	<u>\$ 449</u>	<u>\$ 19,115</u>	<u>\$ 19,564</u>

Note 1: The number of employees in the current and previous years was 682 and 638, respectively, of which the number of directors who were not also employees was 8 both, which were calculated on the same basis as the employee benefit expenses.

Note 2:

- (1) The average employee benefit expenses for the year was \$1,107 thousand.
- (2) The average employee benefit expenses for the previous year was \$1,102 thousand.
- (3) The average salary expense for the year was \$968 thousand.
- (4) The average salary expense of the previous year was \$970 thousand.
- (5) The average salary expense decreased by 0.2%.
- (6) Remuneration of supervisors for the year: The Company has no supervisors.
- (7) The Company's salary and compensation policy: Employees' salaries are based on the current year's company results and personal performance; year-end bonuses are based on three months of salary and the actual amount is adjusted according to the company's current year's operating conditions; performance bonuses are based on 10% of the pre-tax net income before allocating compensation of employees and remuneration of directors for the current year; managers' salaries are evaluated according to the current year's performance achievement rate, in addition to referring to all employees.

5. The Consolidated Financial Statements for the Most Recent Fiscal Year

STATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS OF ASSOCIATES

For the year ended December 31, 2023 (from January 1, 2023 to December 31, 2023), the companies that are required to be included in the preparation of the consolidated financial statements of Associates in accordance with the "Guidelines Governing the Preparation of Consolidated Financial Statements and Reports of Affiliates" are the same as those that are required to be included in the preparation of the consolidated financial statements of Associates in accordance with International Financial Reporting Standard No. 10. The information required to be disclosed in the consolidated financial statements of Associates has already been disclosed in the previous consolidated financial statements of the parent and subsidiary. Consequently, Symtek Automation Asia Co., Ltd. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Hereby Declare

Company: Symtek Automation Asia Co., Ltd.

Chairman: Koon, Kam-Kwan

February 25, 2024

INDEPENDENT AUDITORS' REVIEW REPORT

To Symtek Automation Asia Co., Ltd.:

Audit opinion

We have audited the financial statements of Symtek Automation Asia Co., Ltd. and its subsidiaries, which comprise the Consolidated Balance Sheets as of December 31, 2023 and 2022, the Consolidated Statement of Comprehensive Income from January 1 to December 31, 2023 and from January 1 to December 31, 2022, Consolidated Statement of Change in Equity, Consolidated Statement of Cash Flows, and Notes to Consolidated Financial Statement (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements are properly drawn up in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standing Interpretations Committee (SIC) (hereinafter referred to as IFRSs) recognized and announced effectiveness by Financial Supervisory Commission (hereinafter referred to as FSC) so as to give a true and fair view of the consolidated financial position of Symtek Automation Asia Co., Ltd. and its subsidiaries as of December 2023 and 2022 and of the financial performance, changes in equity and cash flows of Symtek Automation Asia Co., Ltd. and its subsidiaries from January 1 to December 31, 2023 and 2022.

Basis for audit opinion

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

these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

The key audit matter is which that, in our professional judgment, is most significant to our review of the Consolidated Financial Statements of Symtek Automation Asia Co., Ltd. and its subsidiaries for 2023. Such matter has been considered in the process of examining the consolidated financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on the matter individually.

The following is the description of the key audit matter in the Consolidated Financial Statements of Symtek Automation Asia Co., Ltd. and its subsidiaries for 2023:

Revenue recognition

Symtek Automation Asia Co., Ltd. and its subsidiaries generate their primary revenue from the sales of equipment and machinery, which are automated equipment. In 2023, the Company experienced significant growth in sales to specific customers, including major customers in Symtek Taiwan's department for semiconductor packaging and testing and semiconductor wafer, and the terms of the transaction were the completion of the installation of the machine and the completion of the contractual obligations after the customer's confirmation; moreover, the sales of semiconductor carrier to specific customers by the Symtek China were significant and grew significantly, and the terms of the transaction were that the performance obligation would be completed after the completion of the installation and confirmation by the customers as well. These sales, which includes major customers of semiconductor packaging and testing and semiconductor wafers of Symtek Taiwan and specific customers of semiconductor carriers of Symtek China, accounted for 52% of the combined revenue. Consequently, the auditor has identified the verification of the occurrence of these sales of machine and equipment as a key audit matter.

Hence, the auditor considered the Company's policy on recognition of sales revenue and have evaluated and tested the effectiveness of the design and implementation of the internal control system related to each type of revenue in 2023; We also performed tests to verify the validity of each type of sales transaction, which included selecting proper samples of shipment orders, confirmation of installation or delivery of machines, and invoices, as well as checking the consistency between the sales targets and receivers of each type of sales transaction and the collection status of accounts receivable, and checking for any material sales return after the reporting date to verify that the transactions had actually occurred.

Other matters

Symtek Automation Asia Co., Ltd. has prepared its Parent Company Only Financial Statements for the years ended December 31, 2023 and 2022, and we have provided our unqualified opinion on those statements for reference.

Responsibilities of management and directors for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for audit opinions. Because fraud may be related to conspiracy, forgery, deliberate omission, false

statement or breach of internal control, the risk of a material misstatement caused by fraud which is not identified is higher than the risk of a material misstatement caused by any error.

2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the internal control effectiveness of Symtek Automation Asia Co., Ltd. and its subsidiaries.
3. Assess the appropriateness of management's use of accounting policies and the reasonability of the accounting estimate and relevant disclosure.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Symtek Automation Asia Co., Ltd. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Symtek Automation Asia Co., Ltd. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the relevant notes), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. We have obtained sufficient and appropriate evidence to audit the consolidated financial information of Symtek Automation Asia Co., Ltd. and its subsidiaries to express an opinion on the Consolidated Financial Statements. We are responsible for the guidance, supervision and execution of the audit and for forming an audit opinion on Symtek Automation Asia Co., Ltd. and its subsidiaries.

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

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

We have determined the key audit matter for the audit of the Consolidated Financial Statements of Symtek Automation Asia Co., Ltd. and its subsidiaries for the year ended December 31, 2023 from the communications we have had with the governing body. We identified such matter in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, we decided not to communicate those matters in our auditor's report because we reasonably could expect the negative effect of such communication to outweigh the public interest.

Deloitte & Touche

CPA: Wen Yuan Zhuang

CPA: Qing Zhen Yang

FSC Approval Number:

Jin-Guan-Zheng-Shen-Zi No. 1090347472

SFB Approval Number:

Tai-Cai-Zheng-Liu-Zi No. 0920123784

February 27, 2024

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	\$ 1,928,846	24	\$ 1,468,956	19
1136	Financial assets at amortized cost - current (Note 8)	155,619	2	-	-
1140	Contract assets - current (Note 23)	665,279	9	653,588	8
1150	Notes receivable, net (Note 9)	13,776	-	30,346	1
1160	Notes receivable - related parties, net (Note 23 and 32)	21,640	-	-	-
1170	Accounts receivable, net (Note 9 and 23)	1,083,850	14	1,090,929	14
1180	Accounts receivable - related parties, net (Note 23 and 32)	2,774	-	93,939	1
1200	Other receivables (Note 9)	11,155	-	30,301	-
130X	Inventories (Note 10)	1,469,511	19	2,303,150	29
1479	Other current assets (Note 15 and 33)	95,949	1	175,898	2
11XX	Total current assets	<u>5,448,399</u>	<u>69</u>	<u>5,847,107</u>	<u>74</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Note 7)	169,090	2	120,443	2
1600	Property, plant and equipment (Note 12 and 33)	2,043,898	26	1,688,053	21
1755	Right-of-use assets (Note 13)	75,500	1	86,987	1
1821	Intangible assets (Note 14)	12,315	-	14,501	-
1840	Deferred income tax assets (Note 25)	148,966	2	110,201	1
1990	Other non-current assets (Note 15)	47,119	-	40,895	1
15XX	Total non-current assets	<u>2,496,888</u>	<u>31</u>	<u>2,061,080</u>	<u>26</u>
1XXX	Total	<u>\$ 7,945,287</u>	<u>100</u>	<u>\$ 7,908,187</u>	<u>100</u>
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term loans (Note 16)	\$ 200,000	3	\$ 160,000	2
2130	Contract liabilities - current (Note 23 and 32)	485,291	6	731,761	9
2170	Accounts payable (Note 18)	835,314	11	1,575,594	20
2200	Other payables (Note 19 and 32)	637,841	8	525,168	7
2230	Current income tax liabilities (Note 25)	89,419	1	134,720	2
2250	Provision for liabilities - current (Note 20)	92,645	1	109,014	1
2280	Lease liabilities - current (Note 13)	32,519	-	41,226	1
2322	Long-term loans due within one year (Note 16)	47,922	1	20,240	-
2399	Other current liabilities (Note 19)	2,580	-	3,254	-
21XX	Total current liabilities	<u>2,423,531</u>	<u>31</u>	<u>3,300,977</u>	<u>42</u>
	Non-current liabilities				
2500	Financial liabilities at fair value through profit or loss - non-current (Note 17)	930	-	-	-
2530	Bonds payable (Note 17)	285,898	4	-	-
2540	Long-term loans (Note 16)	966,279	12	725,971	9
2570	Deferred tax liabilities (Note 25)	150,498	2	156,484	2
2580	Lease liabilities - non-current (Note 13)	28,104	-	30,840	-
2670	Total non-current liabilities (Note 19)	2,936	-	2,227	-
25XX	Total non-current liabilities	<u>1,434,645</u>	<u>18</u>	<u>915,522</u>	<u>11</u>
2XXX	Total liabilities	<u>3,858,176</u>	<u>49</u>	<u>4,216,499</u>	<u>53</u>
	Equity attributable to owners of the company (Note 22)				
3110	Capital - common stock	752,817	10	714,317	9
3200	Capital surplus	1,854,049	23	1,506,096	19
	Retained earnings				
3310	Legal reserve	424,099	5	357,550	5
3320	Special reserve	21,404	-	34,942	-
3350	Unappropriated earnings	1,006,847	13	1,054,940	13
3300	Total retained earnings	1,452,350	18	1,447,432	18
3400	Other equity	(14,547)	-	(21,404)	-
31XX	Total equity attributable to owners of the Company	<u>4,044,669</u>	<u>51</u>	<u>3,646,441</u>	<u>46</u>
36XX	Non-controlling interests (Notes 11, 22 and 28)	42,442	-	45,247	1
3XXX	Total equity	<u>4,087,111</u>	<u>51</u>	<u>3,691,688</u>	<u>47</u>
	Total	<u>\$ 7,945,287</u>	<u>100</u>	<u>\$ 7,908,187</u>	<u>100</u>

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

Chairman: Koon Kam Kwan

General Manager: Nien Ching Wang

Head of Accounting: Ching Hsiang Chiu

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FROM JANUARY 1 TO DECEMBER 31, 2023 AND 2022

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

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue (Note 23 and 32)				
4110	Sales revenue	\$ 5,810,295	100	\$ 5,761,799	100
	Operating costs (Note 10, 24 and 32)				
5110	Cost of goods sold	(4,150,145)	(72)	(4,120,733)	(71)
5900	Gross profit	<u>1,660,150</u>	<u>28</u>	<u>1,641,066</u>	<u>29</u>
	Operating expenses (Note 9, 23, 24 and 32)				
6100	Selling and marketing expenses	(157,291)	(3)	(143,677)	(2)
6200	General and administrative expenses	(373,638)	(6)	(331,715)	(6)
6300	Research and development expenses	(340,362)	(6)	(344,616)	(6)
6450	Reversal (loss) of expected credit loss	(20,161)	-	22,329	-
6000	Total operating expenses	(891,452)	(15)	(797,679)	(14)
6900	Profit from operations	<u>768,698</u>	<u>13</u>	<u>843,387</u>	<u>15</u>
	Non-operating income and expenses (Note 24)				
7100	Interest income	18,899	-	19,597	-
7190	Other income	31,362	1	19,711	-
7020	Other gains and losses	31,729	1	20,168	1
7050	Financial costs	(30,269)	(1)	(15,369)	-
7000	Total non-operating income and expenses	<u>51,721</u>	<u>1</u>	<u>44,107</u>	<u>1</u>
7900	Net income before tax	820,419	14	887,494	16
7950	Income tax expenses (Note 25)	(172,951)	(3)	(221,161)	(4)
8200	Net profit for the year	<u>647,468</u>	<u>11</u>	<u>666,333</u>	<u>12</u>

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Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized gains or losses on investments in equity instruments at fair value through other comprehensive income (Note 31)	\$ 28,647	-	(\$ 1,576)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operations	(29,708)	-	17,017	-
8399	Income taxes related to items that may be reclassified (Note 25)	<u>5,448</u>	<u>-</u>	<u>(3,403)</u>	<u>-</u>
8300	Other comprehensive income (loss) for the year, net of income tax	<u>4,387</u>	<u>-</u>	<u>12,038</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 651,855</u>	<u>11</u>	<u>\$ 678,371</u>	<u>12</u>
	Net profit attributable to:				
8610	Owners of the Company	\$ 647,803	11	\$ 666,994	12
8620	Non-controlling interests	<u>(335)</u>	<u>-</u>	<u>(661)</u>	<u>-</u>
8600		<u>\$ 647,468</u>	<u>11</u>	<u>\$ 666,333</u>	<u>12</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 654,660	11	\$ 679,032	12
8720	Non-controlling interests	<u>(2,805)</u>	<u>-</u>	<u>(661)</u>	<u>-</u>
8700		<u>\$ 651,855</u>	<u>11</u>	<u>\$ 678,371</u>	<u>12</u>
	Earnings per share (Note 26)				
9750	Basic	<u>\$ 8.89</u>		<u>\$ 9.41</u>	
9850	Diluted	<u>\$ 8.57</u>		<u>\$ 9.28</u>	

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

Chairman: Koon Kam Kwan

General Manager: Nien Ching Wang

Head of Accounting: Ching Hsiang Chiu

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FROM JANUARY 1 TO DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

		Equity attributable to owners of parent													
		Shares				Retained earnings				Exchange differences on translation of the financial statements of foreign operations	Other equity Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income			Non-controlling interests	Total equity
Code		Capital - common stock	Certificate of conversion to acquire new stocks	Total	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total			Total	Total		
A1	Balance at January 1, 2022	\$ 692,572	\$ 8,447	\$ 701,019	\$ 1,428,094	\$ 292,385	\$ 34,708	\$ 905,017	\$ 1,232,110	(\$ 30,840)	(\$ 4,102)	(\$ 34,942)	\$ 3,326,281	\$ -	\$ 3,326,281
	Appropriation of earnings														
B1	Legal reserve	-	-	-	-	65,165	-	(65,165)	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	234	(234)	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(450,172)	(450,172)	-	-	-	(450,172)	-	(450,172)
D1	Net profit for 2022	-	-	-	-	-	-	666,994	666,994	-	-	-	666,994	(661)	666,333
D3	Other comprehensive income (loss) for 2022, net of income tax	-	-	-	-	-	-	-	-	13,614	(1,576)	12,038	12,038	-	12,038
D5	Total comprehensive income for 2022	-	-	-	-	-	-	666,994	666,994	13,614	(1,576)	12,038	679,032	(661)	678,371
I1	Conversion of convertible bonds	21,745	(8,447)	13,298	74,810	-	-	-	-	-	-	-	88,108	-	88,108
Q1	Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(1,500)	(1,500)	-	1,500	1,500	-	-	-
M7	Recognition of changes in ownership interests of subsidiaries	-	-	-	3,192	-	-	-	-	-	-	-	3,192	-	3,192
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	45,908	45,908
Z1	Balance at December 31, 2022	714,317	-	714,317	1,506,096	357,550	34,942	1,054,940	1,447,432	(17,226)	(4,178)	(21,404)	3,646,441	45,247	3,691,688
	Appropriation of earnings														
B1	Legal reserve	-	-	-	-	66,549	-	(66,549)	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	(13,538)	13,538	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(642,885)	(642,885)	-	-	-	(642,885)	-	(642,885)
D1	Net profit for 2023	-	-	-	-	-	-	647,803	647,803	-	-	-	647,803	(335)	647,468
D3	Other comprehensive income (loss) for 2023, net of income tax	-	-	-	-	-	-	-	-	(21,790)	28,647	6,857	6,857	(2,470)	4,387
D5	Total comprehensive income for 2023	-	-	-	-	-	-	647,803	647,803	(21,790)	28,647	6,857	654,660	(2,805)	651,855
C5	Issuance of convertible bonds recognized as components of equity - arising from stock options	-	-	-	15,756	-	-	-	-	-	-	-	15,756	-	15,756
E1	Employee stock options cost	-	-	-	12,647	-	-	-	-	-	-	-	12,647	-	12,647
E1	Capital increase by cash	38,500	-	38,500	319,550	-	-	-	-	-	-	-	358,050	-	358,050
Z1	Balance at December 31, 2023	\$ 752,817	\$ -	\$ 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

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

Chairman: Koon Kam Kwan

General Manager: Nien Ching Wang

Head of Accounting: Ching Hsiang Chiu

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FROM JANUARY 1 TO DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flow from operating activities		
A10000	Income before income tax	\$ 820,419	\$ 887,494
A20010	Adjustments for:		
A20100	Depreciation expenses	66,840	56,920
A20200	Amortization expenses	25,284	23,433
A20300	Expected credit impairment loss (reversal gain)	20,161	(22,329)
A20400	Net gain on financial assets and liabilities at fair value through profit or loss	(140)	-
A20900	Financial costs	30,269	15,369
A21200	Interest income	(18,899)	(19,597)
A21300	Dividend income	(6,086)	(3,590)
A21900	Share-based payment cost	12,647	-
A22500	Loss (gain) on disposal of property, plant and equipment	(39,034)	384
A23100	Net gain/loss on disposal of financial assets	-	(1,777)
A23700	Loss on inventory devaluation	187,282	91,657
A24100	Unrealized loss on foreign currency exchange	963	54
A29900	Other items	663	(130)
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	(18,104)	(239,238)
A31130	Notes receivable	16,343	2,406
A31140	Notes receivable - related parties	(21,640)	-
A31150	Accounts receivable	(20,175)	(96,190)
A31160	Accounts receivable - related parties	91,409	(27,044)
A31180	Other receivables	19,146	17,076
A31200	Inventories	633,623	(956,432)
A31240	Other current assets	39,850	(90,698)
A32125	Contract liabilities	(240,829)	169,068
A32150	Accounts payable	(732,134)	326,295
A32180	Other payables	11,997	53,542
A32200	Provision for liabilities - current	(15,628)	13,040
A32230	Other current liabilities	(674)	1,175
A33000	Cash generated from operations	863,553	200,888
A33100	Interest received	18,899	19,597
A33300	Interest paid	(26,364)	(13,733)
A33500	Income tax paid	(258,313)	(140,748)
AAAA	Net cash generated from operating activities	<u>597,775</u>	<u>66,004</u>

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Code		2023	2022
	Cash flow from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(\$ 20,000)	\$ -
B00020	Sale of financial assets at fair value through other comprehensive income	-	15,000
B00040	Acquisition of financial assets at amortized cost	(158,100)	-
B00050	Disposal of financial assets at amortized cost	-	19,740
B00100	Acquisition of financial assets at fair value through profit or loss	-	(8,487)
B00200	Sale of financial assets at fair value through profit or loss	-	10,264
B02700	Acquisition of property, plant and equipment	(333,205)	(805,764)
B02800	Disposal of property, plant and equipment	96,894	80
B03700	Decrease (increase) in guarantee deposits	868	(5,142)
B04500	Payments for intangible assets	(3,639)	(6,464)
B06500	Increase in other financial assets	-	(29,733)
B06600	Decrease in other financial assets	25,162	-
B06700	Increase in other non-current assets	(13,977)	(5,421)
B07600	Dividends received	6,086	3,590
BBBB	Net cash used in investing activities	(<u>399,911</u>)	(<u>812,337</u>)
	Net cash flow from financing activities		
C00100	Increase in short-term loans	650,000	500,000
C00200	Decrease in short-term loans	(610,000)	(440,000)
C01200	Convertible bonds issued	298,770	-
C01600	Proceeds from long-term loans	458,230	670,000
C01700	Repayment of long-term loans	(190,240)	(20,240)
C03100	Guarantee deposits refunded	-	(221)
C04020	Repayment of the principal portion of lease liabilities	(44,686)	(33,526)
C04400	Decrease in other non-current liabilities	-	(228)
C04500	Dividends paid	(642,885)	(450,172)
C04600	Capital increase by cash	358,050	-
C05800	Changes in non-controlling interests	-	49,100
CCCC	Net cash generated from financing activities	<u>277,239</u>	<u>274,713</u>
DDDD	Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(<u>15,213</u>)	<u>11,092</u>
EEEE	Net increase (decrease) in cash and cash equivalents	459,890	(460,528)
E00100	Cash and cash equivalents at the beginning of the year	<u>1,468,956</u>	<u>1,929,484</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 1,928,846</u>	<u>\$ 1,468,956</u>

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

Chairman: Koon Kam Kwan

General Manager: Nien Ching Wang

Head of Accounting: Ching Hsiang Chiu

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FROM JANUARY 1 TO DECEMBER 31, 2023 AND 2022

(In thousands of New Taiwan dollars, unless stated otherwise)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on February 23, 2024.

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

- i. 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 significant effect on the accounting policies of the Company and its subsidiaries (collectively as the "Company").

- ii. The IFRS Accounting Standards endorsed by the FSC with effective date starting 2024

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

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

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

Note 3: The first application of this amendment exempts some requirement of the disclosure.

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

iii. New IFRSs Accounting Standards issued by IASB but not yet endorsed and issued into effect by the FSC Accounting.

New, Revised or Amended 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
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 - "Initial Application of IFRS 17 and IFRS 9 -- Comparative Information"	January 1, 2023
Amendments to IAS 21 - "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: These amendments apply to reporting periods beginning on or after January 1, 2025. When the amendment is first applied, the effect is recognized in retained earnings at the date of initial application. When the Consolidated Company uses a non-functional currency as the presentation currency, the impact amount will be adjusted for the exchange differences from foreign operations under equity as of the date of initial application.

As of the date of adoption of this consolidated financial statements, the Consolidated Company is still evaluating the impact of the amendments to other standards and

interpretations on the financial position and financial performance, which will be disclosed when the evaluation is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. Statement of Compliance

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

ii. Basis of Preparation

The accompanying financial statements have been prepared on the historical cost basis, except for financial instruments at fair value and net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

iii. Classification of Current and Noncurrent Assets and Liabilities

Current assets include:

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

Current liabilities include:

1. liabilities held mainly for transaction purposes;
2. liabilities due for payment within 12 months after the reporting period (current liabilities are classified as current even if a long-term refinancing or rescheduling agreement is completed after the reporting period and before the adoption of the financial statements); and
3. the business entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. However, the terms of the

liabilities may be settled by issuing equity instruments at the option of the counterparties, which does not affect the classification.

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

iv. Basis of Consolidation

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

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

See Note 11 and Tables 4 and 5 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

v. Foreign Currency

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

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

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

change in fair value is recognized in other comprehensive income, the resulting exchange differences are recorded as other comprehensive income.

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

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

vi. Inventories

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

vii. Property, Plant and Equipment

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

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

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

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

viii. Intangible Assets

1. Separately acquired

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

2. Derecognition

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

ix. Property, Plant and Equipment, Right-Of-Use Assets and Intangible Assets

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

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

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

When the following recoverable amount increases, the carrying amount of the asset, cash generating unit or contract asset increases to the amount that can be recovered after the revision. However, the increased carrying amount shall not exceed that (minus amortization or depreciation) determined by the asset, cash generating unit or contract asset where the impairment loss was not recognized in the previous year. The reversal of impairment loss is recognized in profit or loss.

x. Financial Instruments

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

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

1. Financial Assets

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

(1) Measurement types

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

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets mandatorily measured at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments not designated as measured at fair value through other comprehensive income, and investments in debt instruments that do not qualify for classification as measured at amortized cost or measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value, with remeasurement gains or losses recognized in other gains and losses. For the determination of fair value, please refer to Note 31.

B. Financial assets at amortized cost

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

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

Financial assets at amortized cost (including cash and cash equivalents, accounts receivable at amortized cost and time deposits with original maturity of more than 3 months) are at amortized cost using the effective interest method to determine the total carrying amount less any impairment loss after initial recognition, with any foreign currency exchange gain or loss recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except in the following two cases:

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

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

Cash equivalents include time deposits that are highly liquid, readily convertible into known amounts of cash and subject to a low risk of changes in value within 3 months from the date of acquisition and are used to meet short-term cash commitments.

- C. Investments in debt instruments measured at fair value through other comprehensive income

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

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

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

D. Investment in equity instruments measured at fair value through other comprehensive income

At initial recognition, the Consolidated Company has an irrevocable option to designate investments in equity instruments that are not held for trading and for which there is contingent consideration recognized by the acquirer of the business combination to be measured at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. On disposal of investments, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

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

(2) Impairment of financial assets and contract assets

The Consolidated Company assesses impairment losses on financial assets at fair value through profit or loss, financial assets at amortized cost (including accounts receivable), investments in equity instruments at fair value through other comprehensive income, operating lease receivables and contract assets at the end of each reporting period based on expected credit losses.

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

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

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

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

(3) Derecognition of financial assets

The Consolidated Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets have lapsed or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

On derecognition of a financial asset at amortized cost in its entirety, the differences between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at fair value through other comprehensive income, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. When investments in equity instruments measured at fair value through other comprehensive income are derecognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instruments

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

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

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

3. Financial liabilities

(1) Subsequent measurement

The financial liabilities are measured at amortized cost using the effective interest method, except for the followings:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss including those held for trading.

Financial liabilities held for trading are measured at fair value, with gains or losses recognized in other gains and losses.

(2) Derecognition of financial liability

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

4. Convertible bonds

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

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument and is measured at amortized cost using the effective interest method until the date of conversion or maturity. Liability components that are embedded in non-equity derivatives are measured at fair value.

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

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

xi. Provision for Liabilities

The amount recognized as provision for liabilities is the best estimate of the expenditure required to settle the obligation at the reporting period, taking into account the risk and uncertainty of the obligation. Provision for liabilities is measured at the discounted value of the estimated cash flows from the settlement of the obligation.

Warranty

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

xii. Income Recognition

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

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

Merchandise sales revenue

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

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

xiii. Lease

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

1. The Consolidated Company as lessor

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

Under finance leases, lease payments including fixed benefits and real fixed benefits, less lease incentives paid. Net lease investments are measured as the sum of the present value of lease payments receivable and unguaranteed residual value plus original direct costs and expressed as finance lease receivables. Finance income is apportioned to each accounting period to reflect the fixed rate of return that the Consolidated Company's outstanding net lease investments can earn in each period. Under operating leases, lease payments, net of lease incentives, are recognized as income on a straight-line basis over the term of the relevant lease. The original direct cost incurred in acquiring an operating lease is added to the carrying amount of the subject asset and recognized as an expense on a straight-line basis over the lease term.

2. The Consolidated Company as lessee

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

Right-of-use assets are measured initially at cost (comprising the original measurement of the lease liability, lease payments made prior to the commencement date of the lease less lease incentives received, original direct cost and estimated cost to reinstate the subject asset) and subsequently at cost less accumulated depreciation and accumulated impairment losses, with adjustments for remeasurement of the lease liability. Right-of-use assets are presented separately in the consolidated balance sheets.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life or the end of the lease term. Lease obligations are measured initially at the present value of the lease payments (including fixed benefits and real fixed benefits, less lease incentives received). If the implied interest rate of the lease is readily determinable, the lease payments are discounted using that rate. If the rate is not readily determinable, the lessee's incremental borrowing rate is used.

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

xiv. Borrowing costs

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

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

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

xv. Government Grants

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

Government grants related to revenue are recognized in other income on a systematic basis over the periods in which the costs associated with the intended compensation are recognized as expenses by the Consolidated Company.

Government grants are recognized in profit or loss in the period in which they become received to compensate for expenses or losses that have already been incurred or for the purpose of providing immediate financial support to the Consolidated Company with no further related costs.

xvi. Employee Benefits

1. Short-term employee benefits

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

2. Post-employment benefits

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

3. Other long-term employee benefits

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

xvii. Income tax

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

1. Current income tax

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

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

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

2. Deferred income tax

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

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

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

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

Deferred income tax assets and liabilities are measured by the tax rate of the expected liabilities settlement or assets realization in the current period, according to the tax rate and the tax law which have been legalized or substantively legalized at the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences of the way in which the Consolidated Company is expected to recover or pay off the carrying amount of its assets and liabilities at the reporting period.

3. Current and deferred tax

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When evaluating critical accounting estimates, the Consolidated Company takes into account the possible effects of inflation and fluctuations in market interest along with related factors like cash flow projections, growth rates, discount rates, and profitability. The management will review the estimates and underlying assumptions on an ongoing basis.

Key sources of estimation and assumption uncertainty

i. Estimated impairment of financial assets and contract assets

Estimated impairment of accounts receivable, investments in debt instruments and contract assets are based on the Consolidated Company's assumptions about default rates and expected loss rates. The Consolidated Company considers historical experience, current market conditions and forward-looking information to make assumptions and select input values for the impairment assessment. Please refer to Note 9 for the significant assumptions and inputs used. If actual future cash flows are less than expected, a significant impairment loss could result.

ii. Impairment of Inventories

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

6. CASH AND CASH EQUIVALENTS

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and working capital	\$ 268	\$ 147
Checking accounts and demand deposits	1,466,831	919,195
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposit	<u>461,747</u>	<u>549,614</u>
	<u>\$ 1,928,846</u>	<u>\$ 1,468,956</u>

The interest rate range for bank deposits at the reporting period was as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bank deposit	0.001%~2.000%	0.001%~1.650%
Time deposit	1.550%~5.100%	2.025%~2.100%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE

INCOME

Investments in equity instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Non-current</u>		
Domestic investment		
Listed shares		
SynPower Co., Ltd.	\$ 129,390	\$ 110,813
Unlisted shares		
New Smart Technology Co., Ltd.	8,870	8,630
Ever Radiant Inc.	-	-
Great Talent Tech Co., Ltd.	1,000	1,000
TSS Holdings Limited	<u>29,830</u>	<u>-</u>
	<u>\$ 169,090</u>	<u>\$ 120,443</u>

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

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

December 31, 2019, the acquisition date, because of the decline in the assessed value of the stock investment.

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

On June 15, 2023, the Consolidated Company invested in TSS Holdings Limited for \$20,000 thousand, which is designated as an investment at fair value through other comprehensive income and loss because it is a medium- to long-term strategic investment in view of the Consolidated Company's international strategy.

8. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Time deposits with original maturity over 3 months	<u>\$155,619</u>	<u>\$ -</u>

As of December 31, 2023, the interest rate range for time deposits with original maturity over 3 months is 2%~5% per annum.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Notes receivable - Arising from operating activities</u>		
At amortized cost		
Total carrying amount	\$ 13,776	\$ 30,346
Less: Loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 13,776</u>	<u>\$ 30,346</u>
<u>Accounts receivable</u>		
At amortized cost		
Total carrying amount	\$ 1,151,058	\$ 1,052,809
Less: Loss allowance	(<u>106,373</u>)	(<u>91,465</u>)
	1,044,685	961,344
At fair value through other comprehensive income	<u>39,165</u>	<u>129,585</u>
	<u>\$ 1,083,850</u>	<u>\$ 1,090,929</u>
<u>Other receivables</u>		
Transfer of accounts receivable factoring	\$ 10,009	\$ 30,301

Other	1,146	-
	<u>\$ 11,155</u>	<u>\$ 30,301</u>

Accounts receivable

i. Receivables measured at amortized cost

The Consolidated Company's average credit period for product sales ranged from 90 to 365 days. To mitigate credit risk, the Consolidated Company's management assigns a dedicated team to determine credit limits, approve credit facilities and other monitoring procedures to ensure that appropriate actions have been taken to collect overdue receivables. In addition, the Consolidated Company reviews the recoverable amounts of receivables on a case-by-case basis at the reporting period to ensure that appropriate impairment losses have been recorded for uncollectible receivables. Accordingly, the Consolidated Company's management believes that the credit risk of the Consolidated Company has been significantly reduced.

The Consolidated Company recognizes allowance for loss on accounts receivable on the basis of lifetime expected credit losses, which are calculated using provision matrix that takes into account the customer's past default history, current financial condition, industry economic conditions, and GDP forecast and industry outlook. Because the Consolidated Company's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the provision matrix does not further differentiate between customer groups and only uses the number of days that the accounts receivable is past due to determine the expected credit losses rate.

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

ii. Accounts receivable at fair value through other comprehensive income

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

The following table details the loss allowance of note and accounts receivable based on the Consolidated Company's provision matrix:

December 31, 2023

		No signs of default by counterparties					
	Not past due	Past due for 1-90 Days	Past due for 91-180 Days	Past due for 181-270 Days	Past due for 271-365 Days	Past due for over 366 Days	Total
Expected credit loss	0.29%	8.94%	8.36%	29.56%	46.22%	100%	
Total carrying amount	\$ 768,408	\$ 119,913	\$ 207,715	\$ 36,739	\$ 11,134	\$ 60,090	\$ 1,203,999
Allowance for loss (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>

December 31, 2022

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

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

	2023	2022
Opening balance	\$ 91,465	\$ 108,278
Add: Impairment loss for the year	16,422	-
Less: Reversal of impairment loss for the year	-	(17,972)
Foreign currency translation differences	(1,514)	1,159
Closing balance	<u>\$ 106,373</u>	<u>\$ 91,465</u>

The Consolidated Company entered into a non-recourse sale contract with the bank for the accounts receivable arising from the sale of a portion of the consolidated receivable on credit. For information on the Consolidated Company's sale of accounts receivable, please refer to Note 31 (v), "Information on the transfer of financial assets".

10. INVENTORIES

	December 31, 2023	December 31, 2022
Finished goods	\$ 18,031	\$ 232
Work-in-process	1,342,852	2,075,283
Raw materials	108,628	227,635
	<u>\$ 1,469,511</u>	<u>\$ 2,303,150</u>

The cost of goods sold in 2023 and 2022 included loss on inventory devaluation of \$187,282 thousand and \$91,657 thousand, respectively.

11. SUBSIDIARIES

i. Subsidiaries included in the consolidated financial statements

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

Investor company	Subsidiary	Nature of activities	Proportion of ownership (%)		Note
			December 31, 2023	December 31, 2022	
Symtek Automation Asia Co., Ltd.	Symtek Automation Ltd. (SAL)	Investment	100.00%	100.00%	-
SAL	Symtek Automation China Co., Ltd. (Symtek China)	Equipment manufacturing and sales	100.00%	100.00%	-
Symtek China	Symtek Technology Jiangsu Co., Ltd. (Symtek Jiangsu)	Equipment manufacturing and sales	60.00%	60.00%	(1). (2)
Symtek Jiangsu	Symtek Automation Technology Thailand Co., Ltd. (Symtek Thailand)	Equipment sales	100.00%	-	(3)

1. In February 2022, Symtek China completed the registration of Symtek Jiangsu. The registered capital of Symtek Jiangsu was RMB54,000 thousand, and the paid-in capital was RMB6,000 thousand, with Symtek China holding a 100% stake. In August 2022, Symtek Jiangsu changed its registered capital to RMB90,000 thousand and carried out a cash increase of RMB21,000 thousand. As Symtek China did not subscribe to the cash increase shares of Symtek Jiangsu in proportion to its shareholding, its stake decreased from 100% to 60% by September 2022. As of December 31, 2023 and 2022, Symtek Jiangsu's paid-in capital was RMB27,000 thousand.

2. Subsidiary with significant non-controlling interest.

3. In May 2023, Symtek Thailand was registered as a company limited by shares with a capital of THB18,000 thousand, and as of December 31, 2023, the invested capital was THB18,000 thousand.

ii. Information on subsidiaries with significant non-controlling interests

Subsidiary	Percentage of non-controlling interests held and voting rights	
	December 31, 2023	December 31, 2022
Symtek Technology Jiangsu Co., Ltd. (Symtek Jiangsu)	40%	40%

Please refer Table 4 for the details of main business location and country of incorporation.

Subsidiary	Income attributable to non-controlling interests		Non-controlling interests	
	2023	2022	December 31, 2023	December 31, 2022
Symtek Technology Jiangsu Co., Ltd. (Symtek Jiangsu)	(\$ 335)	(\$ 661)	\$ 42,442	\$ 45,247

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

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

	December 31, 2023	December 31, 2022
Current assets	\$ 243,218	\$ 114,442
Non-current assets	18,469	18,753
Current liabilities	(155,583)	(21,982)
Non-current liabilities	-	(1,981)
Equity	<u>\$ 106,104</u>	<u>\$ 109,232</u>
Equity attributable to:		
Owners of the Company	\$ 63,662	\$ 63,985
Non-controlling interest in Symtek Jiangsu	<u>42,442</u>	<u>45,247</u>
	<u>\$ 106,104</u>	<u>\$ 109,232</u>
	2023	2022
Operating revenue	<u>\$ 175,507</u>	<u>\$ 34,064</u>
Net loss for the year	(\$ 839)	(\$ 9,815)
Other comprehensive income	(3,843)	-
Total comprehensive income	<u>(\$ 4,682)</u>	<u>(\$ 9,815)</u>
Net loss attributable to:		
Owners of the Company	(\$ 504)	(\$ 9,154)
Non-controlling interest in Symtek Jiangsu	<u>(335)</u>	<u>(661)</u>
	<u>(\$ 839)</u>	<u>(\$ 9,815)</u>
Total comprehensive income attributable to:		
Owners of the Company	(\$ 1,877)	(\$ 9,154)
Non-controlling interest in Symtek Jiangsu	<u>(2,805)</u>	<u>(661)</u>
	<u>(\$ 4,682)</u>	<u>(\$ 9,815)</u>
Cash flows		
Operating activities	\$ 12,913	(\$ 46,431)
Investing activities	(5,286)	(11,615)
Capital raising activities	(3,289)	118,051
Effect of exchange rate changes on cash	<u>(1,464)</u>	<u>(190)</u>
Net cash inflows	<u>\$ 2,874</u>	<u>\$ 59,815</u>

12. PROPERTY, PLANT AND EQUIPMENT

Self-use

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
<u>Cost</u>								
Balance at January 1, 2022	\$ 372,524	\$ 369,394	\$ 74,542	\$ 3,789	\$ 42,761	\$ 14,959	\$ 219	\$ 878,188
Additions	782,024	1,515	6,248	2,074	3,613	1,615	15,842	812,931
Transfer of advance payment for real estate	190,735	19,694	-	-	-	-	-	210,429
Transfer of construction in progress	-	-	796	590	3,659	-	(5,045)	-
Disposals	-	-	(552)	(587)	(379)	(163)	-	(1,681)
Currency exchange differences, net	-	1,068	376	41	341	285	(8)	2,103
Balance at December 31, 2022	<u>\$ 1,345,283</u>	<u>\$ 391,671</u>	<u>\$ 81,410</u>	<u>\$ 5,907</u>	<u>\$ 49,995</u>	<u>\$ 16,696</u>	<u>\$ 11,008</u>	<u>\$ 1,901,970</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2022	\$ -	\$ 87,817	\$ 58,276	\$ 1,909	\$ 30,597	\$ 11,006	\$ -	\$ 189,605
Depreciation expenses	-	10,802	5,786	842	5,829	948	-	24,207
Disposals	-	-	(444)	(291)	(339)	(143)	-	(1,217)
Currency exchange differences, net	-	633	244	22	269	154	-	1,322
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 99,252</u>	<u>\$ 63,862</u>	<u>\$ 2,482</u>	<u>\$ 36,356</u>	<u>\$ 11,965</u>	<u>\$ -</u>	<u>\$ 213,917</u>
Carrying amount at December 31, 2022	<u>\$ 1,345,283</u>	<u>\$ 292,419</u>	<u>\$ 17,548</u>	<u>\$ 3,425</u>	<u>\$ 13,639</u>	<u>\$ 4,731</u>	<u>\$ 11,008</u>	<u>\$ 1,688,053</u>
<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	-	914	6,898	-	2,770	197	426,751	437,530
Transfer of construction in progress	-	3,371	904	-	3,757	-	(8,032)	-
Disposals	(57,798)	-	(1,141)	-	(530)	-	-	(59,469)
Currency exchange differences, net	-	(1,892)	(678)	(84)	(533)	(258)	(6)	(3,451)
Balance at December 31, 2023	<u>\$ 1,287,485</u>	<u>\$ 394,064</u>	<u>\$ 87,393</u>	<u>\$ 5,823</u>	<u>\$ 55,459</u>	<u>\$ 16,635</u>	<u>\$ 429,721</u>	<u>\$ 2,276,580</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2023	\$ -	\$ 99,252	\$ 63,862	\$ 2,482	\$ 36,356	\$ 11,965	\$ -	\$ 213,917
Depreciation expenses	-	11,512	4,423	748	4,830	832	-	22,345
Disposals	-	-	(1,135)	-	(474)	-	-	(1,609)
Currency exchange differences, net	-	(964)	(380)	(43)	(390)	(194)	-	(1,971)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 109,800</u>	<u>\$ 66,770</u>	<u>\$ 3,187</u>	<u>\$ 40,322</u>	<u>\$ 12,603</u>	<u>\$ -</u>	<u>\$ 232,682</u>
Carrying amount at December 31, 2023	<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>

No impairment loss was recognized or reversed in 2023 and 2022.

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

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

Please refer to Note 33 for the amounts of property, plant and equipment set by the Consolidated Company as collateral for loans.

13. LEASE ARRANGEMENTS

i. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amounts		
Land	\$ 14,708	\$ 16,895
Buildings	37,053	38,622
Transportation equipment	<u>23,739</u>	<u>31,470</u>
	<u>\$ 75,500</u>	<u>\$ 86,987</u>
	<u>2023</u>	<u>2022</u>
Additions to the right-of-use assets	<u>\$ 41,011</u>	<u>\$ 81,940</u>
Depreciation expenses for right-of-use assets		
Land	\$ 2,000	\$ 2,002
Buildings	28,556	17,338
Transportation equipment	<u>13,939</u>	<u>13,373</u>
	<u>\$ 44,495</u>	<u>\$ 32,713</u>

The Consolidated Company terminated the original lease agreement, derecognized the related right-of-use assets, net of \$6,965 thousand, and lease liabilities-current of \$7,011 thousand, and recognized a lease modification benefit of \$46 thousand.

ii. Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amount		
Current	<u>\$ 32,519</u>	<u>\$ 41,226</u>
Non-current	<u>\$ 28,104</u>	<u>\$ 30,840</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Land	0.87%	0.87%
Buildings	0.87% ~ 4.30%	0.87%~4.76%
Transportation equipment	0.90% ~ 3.92%	0.87%~4.76%

iii. Important leasing activities and terms

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

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

iv. Other lease information

	<u>2023</u>	<u>2022</u>
Expense relating to short-term leases	<u>\$ 37,398</u>	<u>\$ 29,007</u>
Lease expense for low-value assets	<u>\$ -</u>	<u>\$ -</u>
Variable lease payment expense not included in the measurement of lease liabilities	<u>\$ -</u>	<u>\$ -</u>
Total cash outflow for leases	<u>(\$ 84,138)</u>	<u>(\$ 64,195)</u>

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

14. INTANGIBLE ASSETS

	Computer Software
<u>Cost</u>	
Balance at January 1, 2022	\$ 17,463
Separately acquired	6,464
Disposals	(2,423)
Currency exchange differences, net	94
Balance at December 31, 2022	<u>\$ 21,598</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2022	(\$ 4,765)
Amortization expenses	(4,737)
Disposals	2,423
Currency exchange differences, net	(18)
Balance at December 31, 2022	<u>(\$ 7,097)</u>
Carrying amount at December 31, 2022	<u>\$ 14,501</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 21,598
Separately acquired	3,639
Disposals	(1,800)
Currency exchange differences, net	(120)
Balance at December 31, 2023	<u>\$ 23,317</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2023	(\$ 7,097)
Amortization expenses	(5,755)
Disposals	1,800
Currency exchange differences, net	50
Balance at December 31, 2023	<u>(\$ 11,002)</u>
Carrying amount at December 31, 2023	<u>\$ 12,315</u>

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

An analysis of amortization by function is as follows:

	2023	2022
Operating costs	\$ 353	\$ 355
General and administrative expenses	4,994	4,004
Research and development expenses	408	378
	<u>\$ 5,755</u>	<u>\$ 4,737</u>

15. OTHER ASSETS

	December 31, 2023	December 31, 2022
<u>Current</u>		
Prepayments	\$ 91,609	\$ 146,246
Restricted assets (Note 33)	<u>4,340</u>	<u>29,652</u>
	<u>\$ 95,949</u>	<u>\$ 175,898</u>
<u>Non-current</u>		
Refundable deposits	\$ 12,553	\$ 13,505
Prepayments	31,193	24,017
Others	<u>3,373</u>	<u>3,373</u>
	<u>\$ 47,119</u>	<u>\$ 40,895</u>

16. LOANS

i. Short-term loans

	December 31, 2023	December 31, 2022
<u>Unsecured loans</u>		
Line of credit loans	<u>\$ 200,000</u>	<u>\$ 160,000</u>

The interest rates on bank loans are 1.99% and 1.91% as of December 31, 2023 and 2022, respectively.

ii. Long-term loans

	December 31, 2023	December 31, 2022
<u>Guaranteed loans</u>		
Bank loans (1)	\$ 1,778	\$ 4,444
Bank loans (2)	17,207	18,342
Bank loans (4)	500,000	617,000
Bank loans (5)	<u>-</u>	<u>53,000</u>
	518,985	692,786
<u>Unsecured loans</u>		
Bank loans (3)	36,986	53,425
Bank loans (6)	200,000	-
Bank loans (7)	223,000	-
Bank loans (8)	35,230	-
Less: Amount due within 1 year	(<u>47,922</u>)	(<u>20,240</u>)
	<u>\$ 966,279</u>	<u>\$ 725,971</u>

1. The bank loan is secured by the Consolidated Company's own land and buildings (see Note 33) and is due on August 2024. The principal and interest are repaid monthly, and the effective annual interest rate is 1.96% and 1.83% as of December 31, 2023 and 2022, respectively.

2. The bank loan is secured by the Consolidated Company's own land and buildings (see Note 33) and is due on February 2039. The principal and interest are repaid monthly, and the effective annual interest rate is 2.04% and 1.79% as of December 31, 2023 and 2022, 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% and 1.454% as of December 31, 2023 and 2022, respectively.
4. The bank loan was secured by the Consolidated Company's own land (see Note 33). 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% and 1.69% as of December 31, 2023 and 2022, respectively.
5. The bank loan is secured by the Consolidated Company's own land (see Note 33). 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 1.74% as of December 31, 2022.
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, with interest paid monthly. The effective annual interest rate is 1.95% as of December 31, 2023.
7. The bank loan is due on July 2030, and the first installment will be repaid starting from August 2026. The principal is repaid in 46 monthly installments over 4 years, with interest paid monthly. The effective annual interest rate is 2.18% as of December 31, 2023.
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 2.18% as of December 31, 2023.

17. CORPORATE BONDS PAYABLE

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
First domestic unsecured convertible bonds	\$ -	\$ -
Second domestic unsecured convertible bonds	285,898	-
Less: Amount due within 1 year	<u>-</u>	<u>-</u>
	<u>\$ 285,898</u>	<u>\$ -</u>

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

- i. Total amount issued: NT\$400,000 thousand
- ii. Par value: NT\$100 thousand each
- iii. Coupon rate: 0%
- iv. Effective interest rate: 1.3108%
- v. Carrying value at issuance: NT\$384,674 thousand
- vi. Maturity: 2019/11/25-2022/11/25 (The Company exercised its bond redemption right on January 19, 2022, and the over-the-counter trading will terminate on March 23, 2022.)
- vii. Conversion period:

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

1. The period during which the transfer of common shares is legally suspended and ceased.
 2. The period from 15 business days prior to the date on which the Company applies to the Taipei Exchange for the cessation of transfer of the gratis allotment of shares, the cessation of transfer of cash dividends or the cessation of transfer of cash capital increase stock options to the record date.
 3. From the base date of capital reduction to 1 day before the start of trading day of capital reduction and share exchange.
 4. Other period of suspension of transfer according to the law.
- viii. Conversion price and its adjustment:

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

ix. Repayment of the bonds at maturity:

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

x. Repurchase rights of the creditors:

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

xi. Redemption rights of the Company:

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

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

Issue price (net of transaction costs of \$3,960 thousand)	\$ 396,040
Equity component (net of transaction costs of \$109 thousand apportioned to equity)	(<u>10,891</u>)
Components of liabilities at issue date (net of transaction costs of \$3,851 thousand apportioned to liabilities)	<u>\$ 385,149</u>
Components of liabilities as of January 1, 2022	\$ 87,934
Interest at effective interest rate of 1.3108%	174
Conversion of bonds payable to common stock	(<u>88,108</u>)
Components of liabilities as of December 31, 2022	<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:

- i. Total amount issued: NT\$300,000 thousand
- ii. Par value: NT\$100 thousand each
- iii. Coupon rate: 0%
- iv. Effective interest rate: 2.0907%
- v. Carrying value at issuance: NT\$281,944 thousand
- vi. Maturity: 2023/5/5-2026/5/5
- vii. Conversion period:

Except for the cessation of conversion period, creditors may request conversion of their convertible bonds into common shares of the Company at any time from the day after the expiration of three months from the date of issuance (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.

(1) 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.

(2) 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.

(3) Repurchase rights of 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.

(4) 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 \$930 thousand as of December 31, 2023. The liabilities for non-derivative financial instruments were measured at amortized cost of \$285,898 thousand as of December 31, 2023, with an effective interest rate of 2.0907% as originally recognized.

Issue price (net of transaction costs of \$2,730 thousand)	\$ 298,770
Equity component (net of transaction costs of \$144 thousand apportioned to equity)	(<u>15,756</u>)
Components of liabilities at issuance date (net of transaction costs of 2,586 thousand apportioned to liabilities)	283,014
Interest at effective interest rate of 2.0907%	3,954
Valuation gain on financial instruments	(<u>140</u>)
Components of liabilities as of December 31, 2023	<u>\$ 286,828</u>

18. ACCOUNTS PAYABLE

	December 31, 2023	December 31, 2022
<u>Accounts payable</u>		
Arising from operating activities	<u>\$ 835,314</u>	<u>\$ 1,575,594</u>

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

19. OTHER LIABILITIES

	December 31, 2023	December 31, 2022
<u>Current</u>		
Other payables		
Payable for salaries and bonuses	\$ 318,220	\$ 269,371
Payable for equipment and construction	112,007	7,682
Payable for insurance premiums and provident funds	106,199	93,805
Payable for compensation of employees	27,000	33,500
Payable for remuneration of directors	9,000	11,700
Others	<u>65,415</u>	<u>109,110</u>
	<u>\$ 637,841</u>	<u>\$ 525,168</u>
Other liabilities		
Receipts under custody	<u>\$ 2,580</u>	<u>\$ 3,254</u>
<u>Non-current</u>		
Other payables		
Long-term employee benefits payable	<u>\$ 2,936</u>	<u>\$ 2,227</u>

20. PROVISION FOR LIABILITIES

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Warranty provision	<u>\$ 92,645</u>	<u>\$ 109,014</u>
		<u>Warranty provision</u>
Balance at January 1, 2022		\$ 95,078
Additions during the year		111,267
Used during the year		(98,227)
Currency exchange differences, net		896
Balance at December 31, 2022		<u>\$ 109,014</u>
Balance at January 1, 2023		\$ 109,014
Additions during the year		44,259
Used during the year		(59,887)
Currency exchange differences, net		(741)
Balance at December 31, 2023		<u>\$ 92,645</u>

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

21. RETIREMENT BENEFIT PLANS

Defined contribution plans

The Consolidated Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Symtek China and Symtek Jiangsu also contributes to the pension fund in accordance with local laws and regulations, which is a defined contribution pension plan.

22. EQUITY

i. Share capital

1. Ordinary shares

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Number of shares authorized (in thousands)	<u>100,000</u>	<u>100,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>75,282</u>	<u>71,432</u>
Shares issued	<u>\$ 752,817</u>	<u>\$ 714,317</u>

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

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

To control the timeliness of raising capital, to obtain long-term capital within the shortest period of time, and to restrict the transfer of capital for three years to facilitate the stability of the Company's operating right and the expansion of its operations, the Company approved the issuance of 6,000 thousand shares of common stock through a private placement cash capital increase on August 11, 2021. The issue price per share was NT\$95, the actual number of shares issued was 4,000 thousand shares, and the actual amount issued was NT\$380,000 thousand, the base date of the capital increase was August 25, 2021, and the change of registration was completed on September 13, 2021. In accordance with Article 43-8 of the Securities and Exchange Act, the common shares of the private placement shall be freely transferable after three years from the date of delivery and shall not be listed for trading until after the completion of public offering.

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, "Share-based 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.

ii. Capital surplus

	December 31, 2023	December 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	\$ 1,480,755	\$ 1,148,558
Premium on conversion of corporate bonds	344,646	344,646
Treasury shares trading	9,700	9,700
<u>May be used only to offset a deficit</u>		
Recognition of changes in ownership interests of subsidiaries (2)	3,192	3,192
<u>May not be used for any purpose</u>		
Employee share options (3)	<u>15,756</u>	<u>-</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. This type of capital surplus represents the equity transaction effects recognized due to changes in the ownership interests of subsidiaries that the Company has not actually acquired or disposed of, or adjustments to the capital surplus of subsidiaries recognized by the Company using the equity method.
3. This type of capital surplus represents the value of stock options recognized for the issuance of convertible bonds.

iii. Retained earnings and dividend policy

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 (vii), "Compensation of employees and remuneration of directors."

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

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

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

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

The appropriations of earnings for 2022 and 2021 were as follows:

	Earnings distribution		Dividends per share (NT\$)	
	2022	2021	2022	2021
Legal reserve	\$ 66,549	\$ 65,165		
(Reversal) of special reserve	(13,538)	234		
Cash dividends	428,590	450,172	\$ 6	\$ 6.5

The aforementioned cash dividends were resolved to be distributed by the board of directors on March 21, 2023, and March 8, 2022, respectively, while the other items of earning distribution were resolved to be distributed by the shareholders' meeting on May 31, 2023, and May 27, 2022, respectively.

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

The appropriations of 2023's semi-annual earnings have been approved by the Company's board of directors in its meeting, respectively. The appropriations and cash dividends per share were as follows:

	July 1 to December 31, 2023	January 1 to June 30, 2023
Resolution date of the board's meeting	February 23, 2024	August 11, 2023
Legal reserve	\$ 28,926	\$ 35,854
Appropriation / (reversal) of special reserve	(\$ 42,455)	\$ 35,598
Cash dividends	\$ 188,204	\$ 214,295
Cash dividends per share (NT\$)	\$ 2.5	\$ 3

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.

iv. Non-controlling interests

	2023
Opening balance	\$ 45,247
Net loss for the year	(335)
Other comprehensive income (loss) for the year	
Exchange differences on translation of the financial statements of foreign operations	(2,470)
Closing balance	<u>\$ 42,442</u>

23. REVENUE

	2023	2022
Revenue from customer contracts		
Merchandise sales revenue	<u>\$ 5,810,295</u>	<u>\$ 5,761,799</u>

i. 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.

ii. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable, net (Note 9)	\$ 1,083,850	\$ 1,090,929	\$ 970,393
Accounts receivable - related parties (Note 32)	<u>2,774</u>	<u>93,939</u>	<u>66,763</u>
	<u>\$ 1,086,624</u>	<u>\$ 1,184,868</u>	<u>\$ 1,037,156</u>
Contract assets - current			
Sale of goods	<u>\$ 665,279</u>	<u>\$ 653,588</u>	<u>\$ 408,589</u>
Contract liabilities- current			
Sale of goods	<u>\$ 485,291</u>	<u>\$ 731,761</u>	<u>\$ 558,083</u>

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

	December 31, 2023	December 31, 2022
Expected credit loss	0.70%	0.15%
Total carrying amount	\$ 670,000	\$ 654,600
Allowance for loss (lifetime ECLs)	(<u>4,721</u>)	(<u>1,012</u>)
	<u>\$ 665,279</u>	<u>\$ 653,588</u>

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

	2023	2022
Opening balance	\$ 1,012	\$ 5,332
Add: Impairment loss for the year	3,739	-
Less: Reversal of impairment loss for the year	-	(4,357)
Foreign currency translation differences	(<u>30</u>)	<u>37</u>
Closing balance	<u>\$ 4,721</u>	<u>\$ 1,012</u>

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

	2023	2022
<u>From contractual liabilities at the beginning of the year</u>		
Sale of goods	<u>\$ 555,123</u>	<u>\$ 536,814</u>

iii. Breakdown of revenue from customer contracts

2023

	Reportable departments			
	Semiconductor carriers - PCB automation equipment	Semiconductor packaging and testing - LCD panel automation equipment	Semiconductor wafers - Semiconductor automation equipment	Total
<u>Product type</u>				
Merchandise sales revenue	<u>\$ 4,102,793</u>	<u>\$ 223,527</u>	<u>\$ 1,483,975</u>	<u>\$ 5,810,295</u>

2022

	Reportable departments			
	Semiconductor carriers - PCB automation equipment	Semiconductor packaging and testing - LCD panel automation equipment	Semiconductor wafers - Semiconductor automation equipment	Total
<u>Product type</u>				
Merchandise sales revenue	<u>\$ 4,448,863</u>	<u>\$ 334,262</u>	<u>\$ 978,674</u>	<u>\$ 5,761,799</u>

24. NET PROFIT

i. Interest income

	2023	2022
Bank deposit	<u>\$ 18,899</u>	<u>\$ 19,597</u>

ii. Other income

	2023	2022
Dividend income	\$ 6,086	\$ 3,590
Other	<u>25,276</u>	<u>16,121</u>
	<u>\$ 31,362</u>	<u>\$ 19,711</u>

iii. Other gains and losses

	2023	2022
Gain on disposal of financial assets		
Financial assets at fair value through profit or loss	\$ -	\$ 1,777
Interest in financial assets and financial liabilities		
Financial liabilities held for trading	140	-
Gain (loss) on disposal of property plant and equipment	39,034	(384)
Net gain (loss) on foreign currency exchange	(1,956)	23,029
Other	(<u>5,489</u>)	(<u>4,254</u>)
	<u>\$ 31,729</u>	<u>\$ 20,168</u>

iv. Financial costs

	2023	2022
Interest on bank loans	\$ 26,410	\$ 13,533
Interest on lease liabilities	2,054	1,662
Interest on corporate bonds payable	3,954	174
Less: The amount of the cost of qualifying assets	(<u>2,149</u>)	-
	<u>\$ 30,269</u>	<u>\$ 15,369</u>

Information related to the capitalization of interest is as follows:

	2023	2022
Amount of the capitalization of interest	\$ 2,149	\$ -
Rate of the capitalization of interest	1.80%~2.27%	-

v. Depreciation and amortization

	<u>2023</u>	<u>2022</u>
An analysis of depreciation by function		
Operating costs	\$ 36,049	\$ 28,248
Operating expenses	<u>30,791</u>	<u>28,672</u>
	<u>\$ 66,840</u>	<u>\$ 56,920</u>
An analysis of amortization by function		
Operating costs	\$ 1,204	\$ 804
Operating expenses	<u>24,080</u>	<u>22,629</u>
	<u>\$ 25,284</u>	<u>\$ 23,433</u>

For information on the amortization expenses of intangible assets allocated to individual items, please refer to Note 14.

vi. Employee benefits expenses

	<u>2023</u>	<u>2022</u>
Post-employment benefits (Note 21)		
Defined contribution plans	\$ 33,547	\$ 29,404
Other employee benefits	<u>1,014,680</u>	<u>961,167</u>
Total employee benefits expenses	<u>\$ 1,048,227</u>	<u>\$ 990,571</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 425,318	\$ 405,351
Operating expenses	<u>622,909</u>	<u>585,220</u>
	<u>\$ 1,048,227</u>	<u>\$ 990,571</u>

vii. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues employees' compensation and board directors' remuneration at the rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The estimated compensation of employees and the remuneration of directors for 2023 and 2022 were resolved by the board of directors on February 23, 2024 and February 24, 2023, respectively, as follows:

Accrual rate

	<u>2023</u>	<u>2022</u>
Compensation of employees	3.26%	3.71%
Remuneration of directors	1.09%	1.30%

Amount

	<u>2023</u>	<u>2022</u>
	<u>Cash</u>	<u>Cash</u>
Compensation of employees	\$ 27,000	\$ 33,500
Remuneration of directors	9,000	11,700

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate. There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2022 and 2021.

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

viii. Gains or losses on foreign currency exchange

	<u>2023</u>	<u>2022</u>
Foreign exchange gains	\$ 32,301	\$ 54,455
Foreign exchange losses	(34,257)	(31,426)
Net gains (losses)	(\$ 1,956)	\$ 23,029

25. INCOME TAX

i. Income tax recognized in profit or loss:

Major components of income tax expense are as follows:

	2023	2022
Current income tax		
In respect of the current period	\$ 206,417	\$ 196,279
Surtax on undistributed earnings	8,831	6,097
In respect of prior years	(1,971)	397
	<u>213,277</u>	<u>202,773</u>
Deferred income tax		
In respect of the current period	(40,326)	18,388
Income tax expense recognized in profit or loss	<u>\$ 172,951</u>	<u>\$ 221,161</u>

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

	2023	2022
Net income before tax	<u>\$ 820,419</u>	<u>\$ 887,494</u>
Income tax expense at statutory rate on net income before tax	\$ 195,151	\$ 210,022
Non-deductible expenses for tax purposes	2,203	2,207
Research and development expenses plus deductions	(10,407)	(9,946)
Tax-exempt income	(8,992)	(817)
Surtax on undistributed earnings	8,831	6,097
Other income tax effects adjusted according to tax laws	(15,697)	13,800
Adjustments to prior years' deferred income tax expense	3,830	(595)
Adjustments to prior years' current income tax expense	(1,971)	397
Other	<u>3</u>	<u>(4)</u>
Income tax expense recognized in profit or loss	<u>\$ 172,951</u>	<u>\$ 221,161</u>

ii. Income tax recognized in other comprehensive income

	2023	2022
<u>Deferred income tax expenses (benefits)</u>		
Arising from current year		
Translation of foreign operating entities	(\$ 5,448)	<u>\$ 3,403</u>

iii. Current income tax assets and liabilities

	December 31, 2023	December 31, 2022
Current income tax liabilities		
Income tax payable	<u>\$ 89,419</u>	<u>\$ 134,720</u>

iv. Deferred income tax assets and liabilities

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

2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange difference	Closing balance
<u>Deferred tax assets</u>					
Allowance for losses	\$ 13,563	\$ 3,538	\$ -	(\$ 232)	\$ 16,869
Loss on inventory devaluation	32,272	33,389	-	(347)	65,314
Provision for contingent service cost	19,202	(2,444)	-	(111)	16,647
Other	<u>45,164</u>	<u>5,305</u>	<u>-</u>	<u>(333)</u>	<u>50,136</u>
	<u>\$ 110,201</u>	<u>\$ 39,788</u>	<u>\$ -</u>	<u>(\$ 1,023)</u>	<u>\$ 148,966</u>

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	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange difference	Closing balance
Deferred tax liabilities					
Income from foreign investments recognized under the equity method	\$ 156,470	(\$ 524)	(\$ 5,448)	\$ -	\$ 150,498
Other	14	(14)	-	-	-
	<u>\$ 156,484</u>	<u>(\$ 538)</u>	<u>(\$ 5,448)</u>	<u>\$ -</u>	<u>\$ 150,498</u>

2022

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

v. Income tax assessments

The income tax returns of the Company through 2021 have been assessed by the tax authorities. All income tax returns as of 2022 of Symtek Automation China Co., Ltd. and Symtek Technology Jiangsu 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 share were as follows:

Net Profit for the Year Attributable to Owners of the Company

	<u>2023</u>	<u>2022</u>
Earnings used in the computation of basic earnings per share	\$ 647,803	\$ 666,994
Effects of potentially dilutive ordinary shares:		
Interest on convertible bonds	<u>3,954</u>	<u>174</u>
Net profit used in the computation of diluted earnings per share	<u>\$ 651,757</u>	<u>\$ 667,168</u>

Shares

Unit: In Thousands of Shares

	2023	2022
Weighted-average number of ordinary shares used in the computation of basic earnings per share	72,898	70,908
Effects of potentially dilutive ordinary shares:		
Compensation of employees	308	486
Conversion of corporate bonds	<u>2,854</u>	<u>524</u>
Weighted-average number of ordinary shares used in the computation of diluted earnings per share	<u>76,060</u>	<u>71,918</u>

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

27. SHARE-BASED PAYMENT ARRANGEMENTS

Employee stock options

In August 2023, for the new shares issued under capital increase by cash of the Company, 578 thousand shares were open for stock options to employees of the Consolidated Company, including those who met certain criteria.

The Company adopted the Black-Scholes valuation model, and the inputs used in the valuation model were as follows:

	August, 2023
Expected volatility rate	36.83%
Risk-free interest rate	1.16%
Expected duration	0.156 years
Price per share	93 NT\$
Stock market price on the date of transaction	114.24 NT\$
Employee stock options	578 thousands shares

The salary expenses recognized in 2023 was \$12,647 thousand.

28. EQUITY TRANSACTION WITH NON-CONTROLLING INTEREST

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

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

Consideration received	Symtek Jiangsu \$ 49,100
Amounts transferable to non-controlling interests based on changes in relative equity of net assets of subsidiary	(<u>45,908</u>)
Equity transaction difference	<u>\$ 3,192</u>
<u>Adjustments to equity transaction differences</u>	
Capital surplus - recognition of changes in ownership interests of subsidiaries	<u>\$ 3,192</u>

29. NON-CASH TRANSACTIONS

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

30. CAPITAL RISK MANAGEMENT

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

31. FINANCIAL INSTRUMENTS

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

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

December 31, 2023

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

December 31, 2022: None.

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

1. Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
<u>at VTOCI</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>
<u>Financial liabilities at FVTPL</u>				
Derivatives	<u>\$ -</u>	<u>\$ 930</u>	<u>\$ -</u>	<u>\$ 930</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
<u>at fair value through other comprehensive income</u>				
Investments in equity instruments				
- Emerging stocks	\$ -	\$ -	\$ 110,813	\$ 110,813
- Unlisted shares	<u>-</u>	<u>-</u>	<u>9,630</u>	<u>9,630</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,443</u>	<u>\$ 120,443</u>

There are no transfers between Level 1 and Level 2 fair value measurements in 2023 and 2022.

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

2023

Financial assets	Financial assets at fair value through other comprehensive income Equity instruments
Opening balance	\$120,443
Recognized in other comprehensive income (unrealized gain or loss on financial assets at fair value through other comprehensive income)	10,070
Additions	20,000
Transfer out of Level 3	(110,813)
Closing balance	<u>\$ 39,700</u>

2022

Financial assets	Financial assets at fair value through other comprehensive income Equity instruments
Opening balance	\$137,019
Recognized in other comprehensive income (unrealized gain or loss on financial assets at fair value through other comprehensive income)	(1,576)
Disposal	(15,000)
Closing balance	<u>\$120,443</u>

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

Financial Instrument
Derivatives - Buy-back and sell-back options on convertible bonds

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

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

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

iii. Categories of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 3,195,388	\$ 2,628,043
Financial assets at fair value through other comprehensive income		
Investments in equity instruments	169,090	120,443
Investment in debt instruments	39,165	129,585
<u>Financial liabilities</u>		
Financial assets at fair value through profit or loss		
Held for trading	930	-
At amortized cost (Note 2)	2,335,413	2,481,805

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

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

iv. Financial risk management objectives and policies

The Consolidated Company's major financial instruments include cash and cash equivalents, investments in equity and debt instruments, notes receivable, notes receivable - related-parties, accounts receivable, accounts receivable - related-parties, accounts payable, corporate bonds payable and borrowings. The Consolidated Company's financial management department provides services to each business unit, coordinates access to financial markets, monitors and manages financial risks associated with the Consolidated Company's operations by analyzing

risk exposures based on risk level and breadth. These risks include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

1. Market risk

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

(1) Foreign currency risk

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

The carrying amounts of the Consolidated Company's foreign currency denominated monetary assets and monetary liabilities at the end of the period are set out in Note 36.

Sensitivity analysis

The Consolidated Company was mainly exposed to currency risk of RMB and USD.

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

	RMB Impact (Note)		USD Impact (Note)	
	2023	2022	2023	2022
Profit or loss	\$ 276	\$ 1,474	\$ 4,836	\$ 2,903

Note 1: Mainly derived from bank deposits, receivables and payables in RMB and USD that were outstanding and not cash flow hedged at the reporting period of the Consolidated Company.

The decrease in the Consolidated Company's sensitivity to RMB exchange rate for the year was mainly due to the decrease in accounts receivable denominated in RMB; the increase in the Consolidated Company's sensitivity to USD exchange rate for the year was mainly due to the increase in bank deposit and accounts receivable denominated in USD.

(2) Interest rate risk

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

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fair value interest rate risk		
- Financial assets	\$ 621,706	\$ 579,266
- Financial liabilities	285,898	-
Cash flow interest rate risk		
- Financial liabilities	1,214,201	906,211

Sensitivity analysis

The sensitivity analysis of interest rate risk was determined based on the interest rate risk as of the end of the financial reporting period. If interest rates were to increase by 1%, with all other variables held constant, the Consolidated Company's net income before income taxes would decrease by \$12,142 thousand and \$9,062 thousand for 2023 and 2022, respectively.

The increase in the Consolidated Company's sensitivity to interest rates was mainly due to the increase in bank loans with variable interest rates during the year.

(3) Other price risk

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

Sensitivity analysis

The following sensitivity analysis was performed based on the equity price risk at the reporting period.

If the equity price increases/decreases by 5%, other comprehensive income before income tax will increase/ decrease by \$8,454 thousand and \$6,022 thousand in 2023 and 2022, respectively, due to the increase/decrease in fair value of financial assets at fair value through other comprehensive income.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Consolidated Company. At the end of the period, the Consolidated Company's maximum exposure to credit risk, which will cause a financial loss to the Consolidated Company due to the failure of the counterparty to discharge an obligation approximates the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets. The Consolidated Company's policy is to deal only with creditworthy counterparties and to obtain advance payments when necessary to mitigate the risk of financial loss arising from delinquencies. To mitigate credit risk, the Consolidated Company continuously monitors credit risk and the credit ratings of counterparties, and has dedicated personnel responsible for credit approval and other monitoring procedures to ensure that appropriate actions are taken to collect overdue receivables. In addition, the Consolidated Company reviews the recoverable amounts of receivables on a case-by-case basis at the reporting period

to ensure that appropriate impairment losses are recorded for uncollectible receivables.

The Consolidated Company's credit risk is mainly concentrated in the Consolidated Company's top three customers. As of December 31, 2023 and 2022, the percentage of total accounts receivable from these customers is 27% and 36%, respectively.

3. Liquidity risk

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

As of December 31, 2023 and 2022, the Consolidated Company had unutilized financing facilities of \$2,538,938 thousand and \$968,384 thousand, respectively.

The following tables show the Consolidated Company's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up on the basis of the undiscounted cash flows of financial liabilities from the earliest date on which the Consolidated Company can be required to pay.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 273,548	\$ 324,973	\$ 236,793	\$ -	\$ -
Lease liabilities	3,207	6,323	24,365	28,948	-
Variable rate instruments	3,714	7,377	260,653	710,094	322,824
Fixed rate instruments	-	-	-	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 is as follows:

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

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 518,673	\$ 571,821	\$ 485,100	\$ -	\$ -
Lease liabilities	3,648	7,296	31,660	31,431	-
Variable rate instruments	<u>2,990</u>	<u>5,949</u>	<u>185,182</u>	<u>721,635</u>	<u>13,945</u>
	<u>\$ 525,311</u>	<u>\$ 585,066</u>	<u>\$ 701,942</u>	<u>\$ 753,066</u>	<u>\$ 13,945</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Variable rate instruments	<u>\$ 194,121</u>	<u>\$ 721,635</u>	<u>\$ 6,557</u>	<u>\$ 6,049</u>	<u>\$ 1,339</u>

v. Information on the transfer of financial assets

Information on the sale of outstanding receivables of the Consolidated Company at the end of the year is as follows:

December 31, 2023

Counterparty	Factoring amount	Amount transferred to other receivables	Amount available for cash advance	Total cash advance	Interest rate of total cash advance (%)
Fubon Bank	\$ 93,927	\$ 9,393	\$ -	\$ 84,534	1.987~1.991
O-Bank	6,164	616	-	5,548	1.9377
	<u>\$ 100,091</u>	<u>\$ 10,009</u>	<u>\$ -</u>	<u>\$ 90,082</u>	

December 31, 2022

Counterparty	Factoring amount	Amount transferred to other receivables	Amount available for cash advance	Total cash advance	Interest rate of total cash advance (%)
Fubon Bank	\$ 266,495	\$ 26,650	\$ -	\$ 239,845	1.442~1.709
O-Bank	36,515	3,651	-	32,864	1.463~1.642
	<u>\$ 303,010</u>	<u>\$ 30,301</u>	<u>\$ -</u>	<u>\$ 272,709</u>	

Under the factoring contracts, losses arising from commercial disputes (such as sales returns or discounts) are borne by the Consolidated Company, while losses arising from credit risk are borne by the banks.

32. TRANSACTIONS WITH RELATED PARTIES

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

Details of transactions between the Consolidated Company and its related parties are disclosed below.

i. Related Parties and Relationships with Them

Name of Related Party	Relationship
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)

ii. Operating revenue

Line Item	Related Party Category	2023	2022
Sales revenue	Other related parties - Key management companies	<u>\$ 15,794</u>	<u>\$ 218,743</u>

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

iii. Purchases

Related Party Category	2023	2022
Substantial related parties	<u>\$ 2,300</u>	<u>\$ -</u>

The Consolidated Company's sales transaction conditions to related parties are based on mutual agreements, and the payment policy is 30 days from the end of the month when the invoice is issued.

iv. Receivables from related parties (excluding lending to related parties)

Line Item	Related Party Category/Name	December 31, 2023	December 31, 2022
Notes receivable - related parties	<u>Other related parties</u>		
	Dongguan Protek Machinery Co., Ltd.	<u>\$ 21,640</u>	<u>\$ -</u>
Accounts receivable - related parties	<u>Other related parties</u>		
	Dongguan Protek Machinery Co., Ltd.	\$ 2,195	\$ 93,939

Other related parties - Key management companies	<u>579</u>	<u>-</u>
	<u>\$ 2,774</u>	<u>\$ 93,939</u>

No guarantees are received for accounts receivable from related parties in circulation. No impairment loss has been recognized for accounts receivable from related parties in 2023 and 2022.

v. Contract liabilities

<u>Related Party Category</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties - Key management companies	<u>\$ 2,951</u>	<u>\$ 3,819</u>

vi. Other related party transactions

<u>Line Item</u>	<u>Related Party Category</u>	<u>2023</u>	<u>2022</u>
Selling and marketing expenses	Substantial related parties	<u>\$ 4,255</u>	<u>\$ -</u>

<u>Line Item</u>	<u>Related Party Category</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other payables	Substantial related parties	<u>\$ 796</u>	<u>\$ -</u>

Expenses incurred by the Consolidated Company for services rendered by a related party on behalf of the Consolidated Company are paid on a monthly basis within 120 days of at the end of every month.

vii. Compensation of key management personnel

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	<u>\$ 48,162</u>	<u>\$ 50,017</u>

The remuneration of board directors and salaries of other key management personnel are decided by remuneration and compensation committee based on individual performance and market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets have been provided as collateral for financing loans, tariff guarantees for imported raw materials, or security deposits for the employment of foreign workers:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Restricted bank deposits (included in other current assets)	<u>\$ 4,340</u>	<u>\$ 29,652</u>
Property, plant and equipment	<u>1,522,205</u>	<u>1,585,938</u>
	<u>\$ 1,526,545</u>	<u>\$ 1,615,590</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

i. Significant contingent liabilities and unrecognized commitments of the Consolidated Company as of the end of the reporting period, excluding those disclosed in other notes, were as follows:

1. As of December 31, 2023, the Consolidated Company had notes as guarantee amounting to \$23 thousand and letters as guarantee amounting to \$35,532 thousand for purchases and sales of goods.
2. The construction contracts the Consolidated Company has entered into amounted to \$1,396,880 thousand (including tax), and as of December 31, 2023, the payment the Consolidated Company had not yet paid amounted to \$1,073,466 thousand (including tax).

35. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

To cope with the future operation development and planning, Symtek Technology Jiangsu Co., Ltd. has made plan of cash capital increase of RMB45,000 thousand in January 2024, which was contributed according to the proportion of the original shareholders' capital contribution, and the paid-in capital was RMB72,000 thousand after this cash capital increase.

36. INFORMATION ON FOREIGN CURRENCY ASSETS AND LIABILITIES WITH SIGNIFICANT EFFECT

The following information is expressed in a summary of foreign currencies other than the functional currency of the Consolidated Company. The disclosed exchange rates are the rates at which these foreign currencies are converted into the functional currency.

Information on foreign currency financial assets and liabilities with significant impact on the Consolidated Company is as follows:

December 31, 2023

	Foreign Currencies	Exchange Rates	Carrying Amount
Financial assets			
<u>Monetary items</u>			
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)	35,313
			<u>\$ 527,527</u>
Financial liabilities			
<u>Monetary items</u>			
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)	7,683
			<u>\$ 27,039</u>

December 31, 2022

	Foreign Currencies	Exchange Rates	Carrying Amount
Financial assets			
<u>Monetary items</u>			
USD	\$ 7,956	30.71 (USD:NTD)	\$ 244,334
USD	1,563	6.96 (USD:RMB)	47,990
EUR	155	32.72 (EUR:NTD)	5,073
JPY	22,889	0.23 (JPY:NTD)	5,319
RMB	36,659	4.41 (RMB:NTD)	161,594
			<u>\$ 464,310</u>
Financial liabilities			
<u>Monetary items</u>			
USD	33	30.71 (USD:NTD)	\$ 1,024
USD	33	6.96 (USD:RMB)	1,013
EUR	124	32.72 (EUR:NTD)	4,051
JPY	60,070	0.23 (JPY:NTD)	13,960
RMB	3,215	4.41 (RMB:NTD)	14,174
			<u>\$ 34,222</u>

The Consolidated Company is primarily exposed to foreign currency exchange rate risk in RMB and USD. The following information is presented in aggregate for the functional currencies of the individual foreign currency holdings, and the exchange rates disclosed represent the rates at which those functional currencies are translated into the presentation currency. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	2023		2022	
Functional Currency	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains (Losses)	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains
NTD	1 (NTD:NTD)	(\$ 2,277)	1 (NTD:NTD)	\$ 19,206
RMB	4.40 (RMB:NTD)	321	4.42 (RMB:NTD)	3,823
		(\$ 1,956)		\$ 23,029

37. SEPARATELY DISCLOSED ITEMS

ii. INFORMATION ABOUT SIGNIFICANT TRANSACTIONS:

1. Financing provided to others: (None).
2. Endorsements/guarantees provided: (None).
3. Marketable securities held. (Table 1)
4. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: (None).
5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (Table 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 31)
10. Other: Intercompany relationships and significant intercompany transactions. (Table 3)

iii. INFORMATION ON INVESTEEES. (Table 4)

iv. INFORMATION ON INVESTMENTS IN MAINLAND CHINA:

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, profit or loss for the period and investment income or loss recognized, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 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)

- (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
- (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
- (3) The amount of property transactions and the amount of the resultant gains or losses.
- (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
- (5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.
- (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

v. INFORMATION OF MAJOR SHAREHOLDERS:

The name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder of shareholders with ownership of 5% or greater. (Table 7)

38. SEGMENT INFORMATION

This information is provided to the chief operating decision maker for resource allocation and departmental performance evaluation, with a focus on measuring by operating region. The segments that the Consolidated Company should report on are as follows:

Symtek Taiwan - Symtek Automation Asia Co., Ltd.

Symtek Oversea- Symtek China, SAL, Symtek China and Symtek Jiangsu and Symtek Thailand

vi. Segment revenue and operating results

The revenue and operating results of the Consolidated Company's continuing business units are analyzed by reportable segment as follows:

	Symtek Taiwan	Symtek Oversea	Adjustments and eliminations	Total
<u>2023</u>				
Revenue from external customers	\$ 3,508,267	\$ 2,302,028	\$ -	\$ 5,810,295
Inter-segment revenue	<u>18,256</u>	<u>27,169</u>	(<u>45,425</u>)	<u>-</u>
Total revenue	<u>\$ 3,526,523</u>	<u>\$ 2,329,197</u>	(<u>\$ 45,425</u>)	<u>\$ 5,810,295</u>
Interest income	<u>\$ 4,949</u>	<u>\$ 13,950</u>	<u>\$ -</u>	<u>\$ 18,899</u>
Financial costs	<u>\$ 28,442</u>	<u>\$ 1,827</u>	<u>\$ -</u>	<u>\$ 30,269</u>
Depreciation expenses	<u>\$ 32,965</u>	<u>\$ 33,875</u>	<u>\$ -</u>	<u>\$ 66,840</u>
Amortization expenses	<u>\$ 21,345</u>	<u>\$ 3,939</u>	<u>\$ -</u>	<u>\$ 25,284</u>
Other significant non-cash items				
Loss on inventory devaluation	<u>\$ 106,000</u>	<u>\$ 81,282</u>	<u>\$ -</u>	<u>\$ 187,282</u>
Impairment loss on financial assets	<u>\$ 10,050</u>	<u>\$ 10,111</u>	<u>\$ -</u>	<u>\$ 20,161</u>
Segment gains	<u>\$ 575,762</u>	<u>\$ 244,657</u>	<u>\$ -</u>	<u>\$ 820,419</u>

	Symtek Taiwan	Symtek Oversea	Adjustments and eliminations	Total
<u>2022</u>				
Revenue from external customers	\$ 3,366,087	\$ 2,395,712	\$ -	\$ 5,761,799
Inter-segment revenue	<u>48,402</u>	<u>6,672</u>	(<u>55,074</u>)	<u>-</u>
Total revenue	<u>\$ 3,414,489</u>	<u>\$ 2,402,384</u>	(<u>\$ 55,074</u>)	<u>\$ 5,761,799</u>
Interest income	<u>\$ 1,378</u>	<u>\$ 18,219</u>	<u>\$ -</u>	<u>\$ 19,597</u>
Financial costs	<u>\$ 13,197</u>	<u>\$ 2,172</u>	<u>\$ -</u>	<u>\$ 15,369</u>
Depreciation expenses	<u>\$ 29,814</u>	<u>\$ 27,106</u>	<u>\$ -</u>	<u>\$ 56,920</u>
Amortization expenses	<u>\$ 19,564</u>	<u>\$ 3,869</u>	<u>\$ -</u>	<u>\$ 23,433</u>
Other significant non-cash items				
Loss on inventory devaluation	<u>\$ 81,000</u>	<u>\$ 10,657</u>	<u>\$ -</u>	<u>\$ 91,657</u>
Reversal of impairment loss on financial assets	(<u>\$ 16,580</u>)	(<u>\$ 5,749</u>)	<u>\$ -</u>	(<u>\$ 22,329</u>)
Segment gains	<u>\$ 613,423</u>	<u>\$ 274,071</u>	<u>\$ -</u>	<u>\$ 887,494</u>

Sales between segments are determined with reference to market conditions.

Segment revenue refers to the profit earned by each segment, excluding income tax expense. This measure is provided to the chief operating decision maker for the purpose of allocating resources to departments and evaluating their performance.

All assets and liabilities of the Consolidated Company have not been allocated to reportable segments because information on the Consolidated Company's assets and liabilities has not been provided to the operating decision maker.

vii. Revenue from major products and services

Revenue from major products and services of the Consolidated Company's continuing business units is analyzed as follows:

	<u>2023</u>	<u>2022</u>
Semiconductor carriers - PCB automation equipment	\$ 4,102,793	\$ 4,448,863
Semiconductor packaging and testing - LCD panel automation equipment	223,527	334,262
Semiconductor wafers - Semiconductor automation equipment	<u>1,483,975</u>	<u>978,674</u>
	<u>\$ 5,810,295</u>	<u>\$ 5,761,799</u>

viii. Major customers

The breakdown of customers contributing 10% or more of consolidated operating revenues in 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Company A	\$ 785,599	\$ NA (Note)
Company B	NA (Note)	961,165
Company C	<u>NA (Note)</u>	<u>784,459</u>
	<u>\$ 785,599</u>	<u>\$ 1,745,624</u>

Note: The amount of revenue did not reach 10% of the Consolidated Company's total revenue.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
DECEMBER 31, 2023

TABLE 1

(In Thousands of New Taiwan Dollars/Thousands of Shares)

Holding Company	Marketable Securities Type/Name (Note)	Relationship with the Company	Financial Statement Account	At the End of the Year				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Symtek Automation Asia Co., Ltd.	<u>Equity investment</u>							
	New Smart Technology Co., Ltd.	None	Financial assets at fair value through profit or loss - 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%	129,390	
	Great Talent Tech Co., Ltd.	None	"	100	1,000	6.25%	1,000	
	TSS Holdings Limited	None	"	2,000	20,000	12.50%	29,830	
	Add: Valuation adjustment on financial assets at fair value through other comprehensive income				<u>24,469</u>		<u>-</u>	
					<u>\$ 169,090</u>		<u>\$ 169,090</u>	

Note1: Marketable securities referred to in this table are marketable securities derived from stocks that fall within the scope of IFRS 9, "Financial Instruments".

Note2: Refer to Tables 4 and 5 for information about subsidiaries and associates.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES
ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR 2023

TABLE 2 (In Thousands of New Taiwan Dollars)

Company that acquires the property	Asset	Date of occurrence	Transaction amount	Payment	Counterparty	Relationship	Prior Transaction of Related Counterparty				Reference for price determination	Purpose of acquisition and use	Other contractual matters
							Owner	Relationship with the issuer	Date of transfer	Amount			
Symtek Automation Asia Co., Ltd.	New construction of factory	July 15, 2023 (Note)	\$ 1,396,880	\$323,414 has been paid as of December 31, 2023 (Including business tax)	True-Dreams Construction Co., Ltd.	Non-related party	-	-	-	\$ -	Negotiated by both parties	Self-use	-

Note 1: This is the date of the board of directors' resolution.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
YEAR 2023

TABLE 3

(In Thousands of New Taiwan Dollars)

Number (Note 1)	Company Name	Counterparty	Relationships (Note 2)	Transaction Details			
				Item	Amount (Note 4)	Transaction Terms	Percentage of Transaction Amount to Consolidated Operating Revenue or Total Assets (Note 3)
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Accounts receivable - related parties	\$ 1,403	Based on general conditions	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Accounts payable - related parties	27	As negotiated and agreed by the parties	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Cost of goods sold	23,620	As negotiated and agreed by the parties	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Sales revenue	18,256	Based on general conditions	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Other receivables - related parties	24,507	Based on general conditions	-
0	Symtek Automation Asia Co., Ltd.	Symtek Automation China Co., Ltd.	1	Other income	65,830	Based on general conditions	1%
1	Symtek Automation China Co., Ltd.	Symtek Technology Jiangsu Co., Ltd.	3	Accounts payable - related parties	282	Based on general conditions	-
1	Symtek Automation China Co., Ltd.	Symtek Technology Jiangsu Co., Ltd.	3	Cost of goods sold	2,801	Based on general conditions	-
1	Symtek Automation China Co., Ltd.	Symtek Technology Jiangsu Co., Ltd.	3	Sales revenue	748	Based on general conditions	-

Note1: Information on business transactions between the parent company and its subsidiaries should be indicated in the numbered columns, and the numbers should be filled out as follows:

1. No. 0 represents the parent company
2. Other numbers starting from 1 represent subsidiaries.

Note2: The directional flow of the transactions are represented by the following types:

1. From parent company to subsidiary.
2. From subsidiary to parent company.
3. Between subsidiaries.

Note3: The accounts in the consolidated balance sheets and those in the consolidated statements of comprehensive income were based on the Company's consolidated total assets and total gross sales, respectively.

Note4: The amount was eliminated in the preparation of the consolidated financial statements.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTEEES
YEAR 2023

TABLE 4

(In Thousands of New Taiwan Dollars/Thousands of Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Held at the End of the Year			Profit or Loss of the Investee	Investment Profit or Loss Recognized	Note
				At the End of Current Period	December 31, 2021	Number of Shares	Percentage of Ownership	Carrying Amount			
Symtek Automation Asia Co., Ltd.	Symtek Automation Ltd.	British Virgin Islands	Investment	\$ 298,447	\$ 298,447	26,272	100%	\$ 1,544,802	\$ 217,474	\$219,958 (Note 1 and 3)	Subsidiary
Symtek Automation Ltd.	Symtek Automation China Co., Ltd.	China	Equipment manufacturing and sales	298,447	298,447	26,272	100%	1,544,802	217,474	219,958 (Note 1 and 3)	Second-tier subsidiary
Symtek Automation China Co., Ltd.	Symtek Technology Jiangsu Co., Ltd.	China	Equipment manufacturing and sales	71,443	71,443	16,200	60%	63,662	(839)	(504) (Note 3)	Second-tier subsidiary
Symtek Technology Jiangsu Co., Ltd.	Symtek Automation Technology Thailand Co., Ltd.	Thailand	Equipment sales	16,828	-	180	100%	14,676	(1,553)	(1,553) (Note 3)	Second-tier subsidiary (Note 2)

Note1: The amount of \$217,474 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 \$3,08 thousand and the unrealized gain or loss of (\$604) thousand from the downstream transactions.

Note2: In May 2023, Symtek Thailand has completed the registration as a company.

Note3: The amount has been eliminated in the preparation of the consolidated financial statements.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
YEAR 2023

TABLE 5

(In Thousands of New Taiwan Dollars/Thousands of Shares)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment(Note 1)	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of Year	Amount of Outward or Inward Remittance During the Period		Accumulated Outward or Inward Remittance for Investment from Taiwan at the End of the Year	Profit or Loss of the Investee	% Ownership of Direct or Indirect Investment	Investment Profit or Loss Recognized (Note 2)	Carrying Amount at the End of the Year	Accumulated Inward Remittance of Earnings as of the End of Year	Note
					Outward	Inward							
Symtek Automation China Co., Ltd.	Equipment manufacturing and sales	\$818,750 (RMB180,000 thousand)	(2) (Note 5)	\$ 298,447	\$ -	\$ -	\$ 298,447	\$ 217,474	100%	\$219,958 (Note 3)	\$ 1,544,802	\$ 220,100	Note 8
Symtek Technology Jiangsu Co., Ltd.	Equipment manufacturing and sales	120,713 (RMB27,000 thousand)	(3) (Note 6)	-	-	-	-	(839)	60% (Note 7)	(504) (Note 4)	63,662	-	Note 8

Accumulated Investments in Mainland China as of the End of Year	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 298,447 (HKD39,800 thousand and RMB30,000 thousand)	\$ 778,860 (HKD48,000 thousand and RMB135,137 thousand)	\$ 2,426,801

Note 1: The followings are three types of investment methods and can be labeled as follows:

- (1) Direct investment in Mainland China.
- (2) Reinvesting in China through a third-party company (please specify the third-party investment company).
- (3) Other methods.

Note 2: For the column of "Investment Profit or Loss Recognized":

- (1) If the investment is under preparation and no investment profit or loss is available, please specify.
- (2) Investment profit or loss is recognized on the following three bases, which should be specified:
 - A. Financial statements audited by an international accounting firm with which the R.O.C. accounting firm has a cooperative relationship.
 - B. Financial statements audited by a certified public accountant of the parent company in Taiwan.
 - C. Others.

Note 3: The investment profit or loss was recognized based on Note 2, (2) B., which was based on the investee's financial statements audited by the parent company's accountants in Taiwan, and the net income of the investee was recognized in proportion to the equity in the investee's net income of \$217,474 thousand, after adjusting for the realized gain or loss of \$3,088 thousand and the unrealized gain or loss of (\$604) thousand on the downstream transactions.

Note 4: The recognition basis for investment gains or losses is based on Note 2, item (2) B. Investment gains or losses are recognized based on the financial statements of the invested company during the same period as audited by the Taiwan parent company's accountant, and recognized according to the equity ratio. The net loss of the invested company was \$503 thousand.

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

Note 6: A company reinvested by the second-tier subsidiary Symtek Automation China Co., Ltd.

Note 7: In September 2022, Symtek China did not subscribe for the shares issued from capital increase of Symtek Jiangsu according to its shareholding proportion, resulting in a decrease in its shareholding proportion from 100% to 60%.

Note 8: The amount has been eliminated in the preparation of the consolidated financial statements.

SYMTEK AUTOMATION ASIA CO., LTD. AND SUBSIDIARIES
DETAILS OF SIGNIFICANT TRANSACTIONS WITH INVESTEEs IN MAINLAND CHINA
YEAR 2023

TABLE 6

(In Thousands of New Taiwan Dollars)

1. Purchases

Investee Company	Business in Third Region	Trading Terms			Purchase		Notes and Accounts Payable		Note
		Price	Payment Terms	Compared with General Trading	Amount	%	Ending Balance	%	
Symtek Automation China Co., Ltd.	—	As negotiated by the parties Price	Within 3 months of delivery	No similar transactions as reference	\$ 23,620	2.24%	\$ 27	0.01%	-

2. Sales

Investee Company	Business in Third Region	Trading Terms			Sale		Gross Profit on Sales	Unrealized Gross Profit on Sales	Notes and Accounts Receivable		Note
		Price	Payment Terms	Compared with General Trading	Amount	%			Ending Balance	%	
Symtek Automation China Co., Ltd.	—	Under normal trading conditions	Within 4 months of delivery	Equivalent	\$ 18,256	0.52%	\$ 3,390	\$ 604	\$ 1,403	0.24%	-

Note 1: The amount has been eliminated in the preparation of the consolidated financial statements.

Symtek Automation Asia Co., Ltd.
INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

TABLE 7

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

Note1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Consolidated Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of differences in the basis of preparation.

Note2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System website of the TWSE.

6. If the Company has experienced any financial difficulties in the most recent three fiscal years, or in the current year up to the date of publication of the Annual Report, indicate the impact on the Company's financial position: None.

VII. Review and Analysis of Financial Condition, Operating Results, and Risk Factors

1. Financial Position

Unit: NT\$ thousands

Item \ Year	2023	2022	Increase (decrease) amount	Change ratio (%)
Current assets	5,448,399	5,847,107	(398,708)	(6.82)
Property, plant, and equipment	2,043,898	1,688,053	355,845	21.08
Intangible assets	12,315	14,501	(2,186)	(15.07)
Other assets	440,675	358,526	82,149	22.91
Total assets	7,945,287	7,908,187	37,100	0.47
Current liabilities	2,423,531	3,300,977	(877,446)	(26.58)
Non-current liabilities	1,434,645	915,522	519,123	56.70
Total liabilities	3,858,176	4,216,499	(358,323)	(8.50)
Share capital	752,817	714,317	38,500	5.39
Capital surplus	1,854,049	1,506,096	347,953	23.10
Retained earnings	1,452,350	1,447,432	4,918	0.34
Other equity	-14,547	-21,404	6,857	(32.04)
Non-controlling interests	42,442	45,247	(2,805)	(6.20)
Total equity	4,087,111	3,691,688	395,423	10.71
Analysis of changes exceeding 20% in the past two fiscal years:				
1. Increase in property, plant and equipment: This is primarily due increase in construction-in-progress of Xinsheng Plant of the Company.				
2. Increase in other assets: This is primarily due the increase in market capitalization as a result of the listing of SynPower Co., Ltd., which the Company's has invested in.				
3. Decrease in current liabilities: This is primarily due the increase in accounts payable.				
4. Increase in non-current liabilities: This is primarily due the increase in the issuance of convertible bonds and long-term loans.				
5. Increase in capital surplus: This is primarily due to the issuance of a cash capital increase at a premium price.				

2. Operating results

(1) Comparative analysis of operating results

Unit: NT\$ thousands

Item \ Year	2023	2022	Increase (decrease) amount	Change ratio (%)
Net operating revenue	5,810,295	5,761,799	48,496	0.84
Operating cost	4,150,145	4,120,733	29,412	0.71
Gross profit from operations	1,660,150	1,641,066	19,084	1.16
Operating expenses	891,452	797,679	93,773	11.76
Operating profit	768,698	843,387	(74,689)	(8.86)
Non-operating income and expenses	51,721	44,107	7,614	17.26
Profit before tax	820,419	887,494	(67,075)	(7.56)
Income tax expense	172,951	221,161	(48,210)	(21.80)
Net profit of the period	647,468	666,333	(18,865)	(2.83)
Analysis of changes exceeding 20% in the past two fiscal years:				
1. Decrease in income tax expense: This was primarily due to the impact of the decrease in deferred income tax.				

- (2) Expected sales quantity and its basis, potential impact on the company's future financial operations, and corresponding plans (The company has not prepared financial forecasts, so it is not applicable).

3. Cash Flow

(1) Analysis and explanation of changes in cash flow in the most recent fiscal year

Unit: NT\$ thousands

Item \ Year	2023	2022	Increase (decrease) amount	Change ratio (%)
Net cash flow from operating activities	597,775	66,004	531,771	805.66
Net cash flow used in investing activities	399,911	812,337	(412,426)	(50.77)
Net cash flow from (used in) financing activities	277,239	274,713	2,526	0.92
Analysis of changes in cash flow:				
(1) Operating activities: Mainly due to the decrease in inventories in 2023, resulting in the decrease in net cash from operating activities.				
(2) Investment activities: Mainly due to the purchase of land in the Zhongli Dajiang section in 2022, resulting in an higher in cash used in investing activities.				
(3) Financing activities: Mainly due to capital increase by cash, resulting in the increase in cash from investing activities.				

- (2) Improvement plan for insufficient liquidity (None)
(3) Analysis of cash liquidity for the next fiscal year (2023, individual)

Unit: NT\$ thousands

Beginning cash balance (1)	Expected annual net cash flow from operating activities (2)	Expected annual cash outflow (3)	Estimated cash surplus (deficit) amount (1)+(2)+(3)	Remedial measures for estimated cash deficit	
				Investment plan	Financing plan
1,468,956	654,457	(1,591,061)	532,352	—	—
1. Analysis of changes in cash flow for the next fiscal year: (1) Net cash inflow from operating activities: Mainly expected to be generated from the company's business operations. (2) Annual cash outflow: Mainly due to capital expenditure on new plant construction. 2. Remedial measures and liquidity analysis for expected cash shortfall: In addition to the cash inflow from operating activities, bank loans will be used to address cash deficits when necessary.					

4. Impact of significant capital expenditures in the recent fiscal year on financial operations:

The significant capital expenditures of the Company in recent years mainly involved the new plant construction plan in the land of Zhongli Dajiang section. The capital expenditure amounts for the years 2024 and 2025 were 977,816 thousands and 419,064 thousands, respectively. The funds were primarily sourced from internal funds and bank loans. In response to long-term business development needs and to expand capacity for enhancing the company's long-term competitiveness, these capital expenditures are expected to have a positive impact on the company's financial operations and long-term planning.

5. Investment policy

- (1) Investment policy: The company's investment policy follows a long-term strategic investment approach and continually evaluates investment plans with prudence.
- (2) Key reasons for investment gains or losses, improvement plans, and investment plans for the next year:

Unit: NT\$ thousands

Investee company name	Investee company	Profit or loss of investee company for 2022	Main reasons for profit or loss	Improvement plan	Investment plan for the coming year
Symtek Automation Asia Co., Ltd.	Symtek Automation Ltd	217,474	The operational status is good.	—	None
Symtek Automation Ltd	SYMTEK (Dongguan) Co., Ltd.	217,474	The operational status is good.	—	None
SYMTEK (Dongguan) Co., Ltd.	Jiangsu Xunlianke High-Tech Co., Ltd.	(839)	Mainly because the company was established in February 2022, and the production in the early stage of operation has not yet reached the economic scale. The amount of losses has begun to decrease.	—	None
Jiangsu	Xunlianke	(1,553)	Mainly because the company was established in May 2023,	—	None

Investee company name	Investee company	Profit or loss of investee company for 2022	Main reasons for profit or loss	Improvement plan	Investment plan for the coming year
Xunlianke High-Tech Co., Ltd.	High-Tech Co., Ltd. (Thailand)		and the production in the early stage of operation has not yet reached the economic scale.		

6. Analysis and Evaluation of Risk Factors in the Most Recent Year and Until the Date of Publication of the Annual Report

(1) Impact of Interest Rate and Exchange Rate Fluctuations and Inflation on Company's Profit and Loss, and Future Countermeasures

1. Impact of Interest Rate Fluctuations on Company's Profit and Loss

Unit: NT\$ thousands ; %

Year/Item	2022	2023
Interest expense (A)	15,369	30,269
Net operating revenue (B)	5,761,799	5,810,295
Operating profit (C)	843,387	768,698
Interest expense / operating revenue (A) / (B)	0.27%	0.52%
Interest expense / operating profit (A) / (C)	1.82%	3.94%

The Company and its subsidiaries had interest expenses of \$15,369 thousands and \$30,269 thousands in 2022 and 2023, respectively, accounting for 0.27% and 0.52% of the net revenue and 1.82% and 3.94% of the operating profit ratios. As evident from the above, interest rate fluctuations did not have a significant impact on the company's operations. The Company continuously monitors interest rate changes and trends closely, maintains good relationships with banks to secure preferential rates, and assesses potential interest rate risks associated with all interest-bearing liabilities in a timely manner. The Company also adjusts its capital structure and employs other methods to mitigate the interest rate risk associated with various liabilities.

2. Impact of Exchange Rate Fluctuations on Company's Profit and Loss

Unit: NT\$ thousands ; %

Year/Item	2022	2021
Exchange (loss) gain net amount (A)	23,029	(1,956)
Net operating revenue (B)	5,761,799	5,810,295
Operating profit (C)	843,387	768,698
Exchange (loss) gain / operating revenue (A) / (B)	0.40%	(0.03)%
Exchange (loss) gain / operating profit (A) / (C)	2.73%	(0.25)%

Approximately half of the Company's products are exported. The net exchange gains and losses for 2022 and 2023 were \$23,029 thousand and (\$1,956) thousand, respectively, accounting for 0.4% and (0.03)% of the net operating revenue and 2.73% and (0.25)% of the net operating profit. Therefore, exchange rate fluctuations did not have a significant impact on the company's operations. To reduce the impact of exchange rate fluctuations, the company closely monitors exchange rate trends, strengthens budgeting, and adheres to the principle of natural hedging by matching the currency held with the actual foreign currency needs arising from the Company's import and export transactions. The Company directly uses foreign currency generated

from sales to repay foreign currency obligations resulting from foreign procurement, thereby mitigating the impact of exchange rate volatility in a more flexible manner.

3. Impact of Inflation on Company's Profit and Loss

The company's products are not general consumer goods, and thus, there has been no immediate significant impact from inflation. The company constantly monitors fluctuations in raw material market prices and maintains good relationships with suppliers and customers to make appropriate adjustments in product prices and raw material inventory as necessary.

4. Future Countermeasures

The company and its subsidiaries will closely monitor the impact of interest rate fluctuations, exchange rate fluctuations, and inflation on the company's profit and loss, and promptly propose relevant countermeasures.

(2) Policy, Main Reasons, and Future Countermeasures for High-Risk, Highly Leveraged Investments, Fund Lending, Endorsements, and Derivative Trading

1. All investments by the company undergo careful evaluation and are processed in accordance with the "Asset Acquisition or Disposal Procedure" and the authority approval requirements. Until now, the Company has not engaged in high-risk, highly leveraged investment activities.

2. Regarding fund lending and endorsements, the company provides funds and endorsements mainly to its related companies and subsidiaries, following the company's "Fund Lending Procedure" and "Endorsement Guarantee Procedure."

3. Derivative transactions are carried out in accordance with the Company's "Derivative Acquisition or Disposal Procedure" under the "Asset Acquisition or Disposal Procedure." As of the end of 2023, the Company has not engaged in derivative transactions for investment purposes.

(3) Future R&D Plans and Estimated R&D Expenses

Future R&D plans focus on modularization, intelligence, and unmanned factory equipment, as well as the development of semiconductor automation equipment to enhance the added value of the company's products and pursue synchronized growth in revenue and profits. R&D expenses are expected to increase to 5-10% of sales revenue.

(4) Impact of Domestic and International Policy and Legal Changes on the Company's Financial Operations and Countermeasures

The company's daily operations comply with relevant domestic and international laws and regulations. It enhances internal management mechanisms, closely monitors domestic and international policy developments and regulatory changes, and fully understands and adapts to market environment changes. As a result, recent changes in domestic and international policies and laws have not had a significant impact on the company's financial operations.

(5) Impact of Technological Changes (Including IT Security Risks) and Industry Changes on the Company's Financial Operations and Countermeasures

The Company continues to invest resources in developing new technologies, components, and products to meet the market development needs of its business units. Business units

collect new information from the market and collaborate with R&D personnel to develop equipment that meets customer demands. Recent technological and industry changes have not had a significant impact on the company's financial operations.

The Company has established comprehensive network and computer security measures, and maintains off-site backups for critical systems, strengthening control or maintaining computer systems for important corporate functions such as manufacturing, operations, and accounting to effectively prevent network attacks from any third-party.

(6) Impact of Changes in Corporate Image on Crisis Management and Countermeasures

In the most recent years and up to the printing date of the public disclosure document, the company adheres to the principles of stability and integrity in its operations, complies with relevant laws and regulations, actively strengthens internal management, enhances management quality and performance, and maintains harmonious labor relations. The Company aims to be a "happy enterprise" and establish and maintain a good corporate image while fulfilling its social responsibilities.

(7) Expected Benefits and Potential Risks of Mergers and Acquisitions

In terms of mergers and acquisitions, as of the most recent fiscal years and up to the printing date of the public disclosure document, the Company and its subsidiaries have no plans for mergers and acquisitions. If there are any future plans for mergers and acquisitions, the company will approach them with a cautious assessment attitude, considering whether they can bring concrete synergies to the company and effectively protect the rights and interests of existing shareholders.

(8) Expected Benefits and Potential Risks of Expanding Plant Facilities:

To meet the growth of industries such as the Internet of Things, artificial intelligence, autonomous driving, and high-speed computing, as well as to meet ESG supply chain demands, the company acquired a piece of land in Zhongli District, Taoyuan City in October, 2021. The land is intended for the construction of additional plant facilities to integrate and expand the Company's production capacity. The project is expected to be completed by 2025 and is projected to provide 300-500 high-quality job opportunities. The expansion is expected to benefit the future expansion of the Company's operations. Prior to the investment, the Company has continuously evaluated potential risks associated with the expansion of plant facilities, including inadequate funding, delays in project progress, and business order conditions, and formulated relevant measures to mitigate the adverse impact of these risks on the Company's operations.

(9) Risks Faced by Concentration of Purchases or Sales

1. Risk assessment and countermeasures for concentrated purchases:

The company's main raw materials are generally categorized as purchased components and processed components. The purchased components are mostly electronic materials, which are standardized products available in the market. Except for customer-specified materials, there is a high degree of substitutability for purchased components. The company's procurement policy includes selecting secondary suppliers as backups. For processed components, the company collaborates with two or more suppliers, and since the establishment of the processing department in 2011, the company has prepared backups for important components and has also gained control over the technology for key components. Therefore, there is no concentration of purchases.

2. Risk assessment and countermeasures for concentrated sales:

The Company's equipment products are sold in various industries, including PCB

(Printed Circuit Board), FPD (Flat Panel Display), and SEMI (Semiconductor Wafer and Packaging Testing). In 2023, there were only one customer whose revenue accounted for over 10% of the total revenue. In consideration of stable and growing operations, the company continues to develop new customers and expand business through overseas subsidiaries and sales locations. In 2023, the sales share from a single customer did not exceed 20%, indicating no significant risk of sales concentration

- (10) The influence and risk to the company from the substantial transfer or change of equity by directors, supervisors, or major shareholders holding more than 10% of the shares (None)
- (11) The impact and risk to the company from the change in management rights (None)
- (12) Significant impact of litigation or non-litigation events on shareholder rights or securities prices

- 1. Litigation, non-litigation, or administrative disputes in the recent two fiscal years and until the date of the prospectus publication that may have a significant impact on shareholder rights or securities prices:

The Company's subsidiary Xunde Machinery (Dongguan) Co., Ltd. (hereinafter referred to as Xunde Dongguan) had sued Zhuhai Nanche Times Express Technology Co., Ltd. (hereinafter referred to as Nanche Times) due to inability to collect payment for goods, claiming a payment of RMB 659,000. Both parties reached a settlement on July 14, 2017 ((2017) Yue 0403 Civil First 1438), with Nanche Times agreed to pay Xunde Dongguan a total of RMB 659,000 and a court fee of RMB 3,000 from August 2017 to June 2018 in 11 installments. However, Nanche Times only paid RMB 220,000 and did not continue to pay. Xunde Dongguan's enforcement against Nanche Times was unsuccessful. Therefore, Xunde Dongguan filed a lawsuit against Chen Xudong, the shareholder of Nanche Times, for not fulfilling his obligation to contribute to Nanche Times, demanding Chen Xudong to bear additional compensation liability for the principal balance of RMB 439,000 and interest and case acceptance fees. In November 2020, the court summoned defendant Chen Xudong and the representative of Zhuhai Nanche to appear in court, but both parties did not appear. After the court's final ruling, defendant Chen Xudong was ordered to repay the principal and penalty to Xunde Dongguan, pay the court's lawsuit fee. Thereafter, because the amount of the principal and penalty in the judgment was incorrect, and the difference with the amount recognized by Xunde Dongguan was about RMB 150,000, Xunde Dongguan appealed to the court. However, in August 2021, the Zhuhai Intermediate People's Court of Guangdong Province dismissed the appeal in the final judgment and upheld the original judgment. Therefore, Xunde Dongguan plans to re-file a case to recover the debt, and this case is not yet over. However, the aforementioned receivable has been fully provided for bad debts by Xunde Dongguan. Based on the above explanation, the lawsuit between the company's subsidiary Xunde Dongguan and Nanche Times will not cause significant adverse effects on the company's financial or business status, and it should not have a significant impact on the company's shareholder rights and securities prices.

- 2. The litigation, non-litigation, or administrative disputes in the recent two fiscal years and until the date of the prospectus publication that have been judged or are still in progress by the company's directors, supervisors, general managers, actual responsible persons, major shareholders with a shareholding ratio exceeding 10%, and subsidiaries,

that may have a significant impact on shareholder rights or securities prices:

On September 1, 2023, Entegris announced that Gudeng (a corporate director of the Company) is suspected of unauthorized implementation of actions related to the patents I606534 and I515159 in the Republic of China, and has filed a patent infringement lawsuit with the Taiwan Intellectual Property and Commercial Court. Gudeng emphasized that the company respects intellectual property rights and that any product development process undergoes thorough evaluation and rigorous patent search, firmly believing there is no infringement of others' patents.

Gudeng also mentioned that they have not yet received the indictment and cannot provide specific comments, but will actively engage a team of patent attorneys to handle the matter and defend the rights and interests of Gudeng Precision and its shareholders. This is also currently in the preparatory stage. The aforementioned cases are lawsuits of Gudeng itself and have no direct relation to the Company, and the results will not have a significant adverse impact on the company's financial or business situation.

3. The circumstances stipulated in Article 157 of the Securities and Exchange Act that have occurred in the recent two fiscal years and until the date of the prospectus publication by the company's directors, supervisors, managers, and major shareholders with a shareholding ratio exceeding 10%, and the company's current handling of the situation: No such situation has occurred.

(13) Cybersecurity Risk Assessment Analysis and Countermeasures:

1. Information and communication security risk management framework, information communication security policy, specific management plans, and resources devoted to information and communication security management:

Information and communication security risk management framework

The Company has established an Information Security Management Committee to manage the information technology related matters necessary for operation. The general manager acts as the chairman (convener), and the highest supervisor of the information unit serves as the Chief Information Security Officer, integrating the highest supervisors of various business units, information, auditing, legal and other units. Regular meetings are held to make decisions, manage and promote information security affairs, implement the responsibilities of business operators, protect the legitimate rights and interests of shareholders, and consider the interests of other stakeholders.

Information and communication security policy, specific management plan:

- (1) Conduct information security education, training, and promotion to establish employee's awareness of information security.
- (2) Protect the company's confidential information.
- (3) Respect intellectual property rights and protect customer and company information.
- (4) Prevent computer virus attacks.
- (5) Ensure that all information security accidents or suspected security weaknesses should be reported upwards according to appropriate mechanisms and appropriately investigated and handled.
- (6) Comply with relevant laws and regulations to achieve the goal of continuous business operation.

Resources devoted to information and communication security management:

- (1) Company information encryption security.
 - (2) Access and authorization management.
 - (3) Finance & R&D information are backed up in different locations.
 - (4) Regular updates of antivirus software, firewall log management.
2. List the losses suffered due to significant information and communication security events in the recent fiscal year and until the date of the annual report publication, the potential impact, and the countermeasures. If it is not possible to reasonably estimate, the fact that it is not possible to reasonably estimate should be explained. As of the end of 2021 and until the date of the annual report publication, the company has not detected any significant cybersecurity threats, nor have there been any legal cases or regulatory investigations related to this.

The above measures effectively safeguard the company's information security, preventing improper access and hacker intrusion.

- (14) Other significant risks (none)

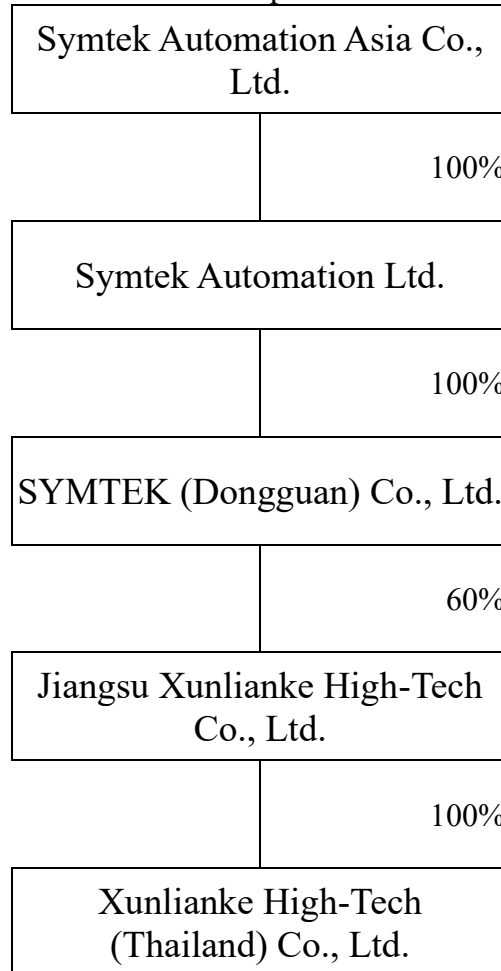
7. Other important matters (none)

VIII. Special Remarks

1. Information on Affiliated Enterprises

(1) Related Enterprises Consolidated Business Report

1. Organizational chart of related enterprises



2. Basic information of related enterprises

2021/12/31 ; UNIT: thousands

Related party company name	Relationship with the Company	Equity held by the Company			Number of shares held in the Company
		Shares (In thousands)	Shareholding ratio	Actual investment amount	
Symtek Automation Ltd.	100% owned subsidiary of the Company	26,272	100%	298,447	—
SYMTEK (Dongguan) Co., Ltd.	100% owned subsidiary of the Company	26,272	100%	298,447	—
Jiangsu Xunlianke High-Tech Co., Ltd.	60% owned subsidiary of the Company	16,200	60%	72,428	—

Related party company name	Relationship with the Company	Equity held by the Company			Number of shares held in the Company
		Shares (In thousands)	Shareholding ratio	Actual investment amount	
Xunlianke High-Tech (Thailand) Co., Ltd.	100% owned subsidiary of Jiangsu Xunlianke High-Tech Co., Ltd.	180	60%	16,828	—

3. Information of the same shareholders who are presumed to have control and subsidiary relations: None.
4. Industries covered by the overall operation of related enterprises: Manufacturing and sales of equipment.

Related party company name	Scope of business	Work division status
Symtek Automation Ltd.	Investment industry	Conducting holding business
SYMTEK (Dongguan) Co., Ltd.	Manufacturing and sale of equipment	Research and development, manufacturing and sales of mechanical equipment
Jiangsu Xunlianke High-Tech Co., Ltd.	Parts processing and sales Manufacturing and sale of equipment	Parts processing and sales Manufacturing and sale of equipment
Xunlianke High-Tech (Thailand) Co., Ltd.	Parts processing and sales Equipment sales	Parts processing and sales Equipment sales

5. Information of directors, supervisors, and general managers of related enterprises

2021/12/31

Company Name	Title	Name of Representative	Shareholding	
			Shares (In thousands)	Shareholding ratio (%)
Symtek Automation Ltd.	Director	SYMTEK AUTOMATION ASIA CO., LTD. Legal Rep: LIN, ZHAO-DE	26,272	100%
SYMTEK (Dongguan) Co., Ltd.	Chairman	SYMTEK AUTOMATION ASIA CO., LTD. Legal Rep: WANG, NIEN-CHING	26,272	100%

Jiangsu Xunlianke High-Tech Co., Ltd.	Chairman	SYMTEK AUTOMATION ASIA CO., LTD. Legal Rep: XIE, JIAN-PING	16,200	60%
Xunlianke High-Tech (Thailand) Co., Ltd.	Legal Representative	SYMTEK AUTOMATION ASIA CO., LTD. Legal Rep: XIE, JIAN-PING	180	100%

6. Operating status of each related enterprise

UNIT: Except for earnings per share in NT\$ per share, the rest are in NT\$ thousands

Company Name	Capital stock	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit (loss)	Profit (loss) for the period after tax	Earnings per share (after tax)
Symtek Automation Ltd.	298,447	1,544,802	0	1,544,802	0	0	217,474	-
SYMTEK (Dongguan) Co., Ltd.	815,750	2,536,847	949,000	1,587,847	2,283,772	231,431	217,474	-
Jiangsu Xunlianke High-Tech Co., Ltd.	120,713	283,820	168,743	115,077	183,459	(839)	(839)	-
Xunlianke High-Tech (Thailand) Co., Ltd.	16,828	16,828		14,676	-	(1,533)	(1,533)	

(2) Consolidated Financial Statements of Related Enterprises: According to the "Guidelines for the Preparation of Consolidated Financial Statements and Reports of Related Enterprises" for 2023 of the Company (from January 1, 2022 to December 31, 2023), the companies that should be included in the preparation of the consolidated financial statements of related enterprises and the companies that should be included in the preparation of the consolidated financial statements of the parent and subsidiary companies according to International Financial Reporting Standard No. 10 are the same, and the related information that should be disclosed in the consolidated financial statements of related enterprises has been disclosed in the aforementioned consolidated financial statements of the parent and subsidiaries, therefore no separate consolidated financial statements of related enterprises are prepared.

(3) Related report: Not applicable

- 2. The handling of private placement of securities in the most recent fiscal year and until the date of publication of the annual report: Please refer to page 72.**
- 3. The situation of the subsidiary holding or disposing of the company's stocks in the most recent fiscal year and until the date of publication of the annual report (none)**
- 4. Other necessary supplementary matters (none)**
- 5. During the most recent fiscal year and up to the date of printing the annual report, the significant matters that had an impact on shareholders' equity or securities prices as defined in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act. (None)**

Symtek Automation Asia Co., Ltd.

Chairman: KUAN, JIN-KUN