SynPower Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 "Consolidated and Separate Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SYNPOWER CO., LTD.

By

Lin, Win-Bin
Chairman

February 22, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
SynPower Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of SynPower Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Cut-off of Sales Revenue - Sales Revenue over Specific Types of Equipment

The Group generate their primary revenue from sales of automation equipments. Among these, the delivery and installation cycles for specific types of equipment are longer than others, and the sale of a single piece of equipment carries significant value. Whether such sales revenue is recognized only after fulfilling performance obligations and correctly cutoff will have a significant impact on the consolidated financial statements. Consequently, the auditor has identified the verification of the cut-off of these equipment sales as a key audit matter.

For accounting policies and relevant disclosure information related to revenue recognition, please refer to Notes 4 and 22 of the consolidated financial statements.

The main audit procedures performed by the accountant for the above matters are as follows:

1. Understanding and testing the effectiveness of internal controls over revenue recognition design and implementation. Evaluating the appropriateness of management's adopted revenue recognition accounting policies.

2. Sampling the transaction documents for sales revenue, including purchase orders, sales invoices, shipping documents, installation confirmation, and perform confirmation letter procedure to ensure the recognition of sales revenue is recorded upon fulfillment of obligations.

3. Reviewing post-period sales returns and allowances, as well as any anomalies in post-period receipts.

Other Matter

We have also audited the parent company only financial statements of SynPower Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chin-Chuan Shih and Shu-Lin Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2024

Notice to Readers

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

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

SYNPOWER CO., LTD. AND SUBSIDIARIES

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

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 556,975	26	$ 629,556	30
Financial assets at amortized cost - current (Notes 4, 8 and 30)	43,938	2	25,953	1
Notes receivable (Notes 4, 5 and 9)	1,576	-	1,368	-
Trade receivables (Notes 4, 5 and 9)	562,662	26	539,303	25
Trade receivables from related parties (Notes 4, 5, 9 and 29)	-	-	730	-
Other receivables (Notes 4, 5 and 9)	13,148	1	5,794	-
Current tax assets (Notes 4 and 24)	4,962	-	3,338	-
Inventories (Notes 4, 5 and 10)	163,214	8	192,279	9
Prepayments	72,266	3	96,468	5
Right to recover a product (Notes 4 and 5)	6,644	-	8,347	1
Other current assets	658	-	969	-
Total current assets	1,426,043	66	1,504,105	71
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	143,406	7	114,296	5
Financial assets at amortized cost - non-current (Notes 4, 8 and 30)	2,000	-	2,000	-
Investments accounted for using the equity method (Notes 4 and 12)	21,221	1	21,846	1
Property, plant and equipment (Notes 4, 13, 29 and 30)	473,943	22	413,946	19
Right-of-use assets (Notes 4 and 14)	21,259	1	15,892	1
Goodwill (Notes 4 and 16)	1,676	-	1,676	-
Other intangible assets (Notes 4 and 29)	6,499	-	9,125	1
Deferred tax assets (Notes 4 and 24)	34,333	2	31,175	2
Net defined benefit asset - non-current (Notes 4 and 20)	9,409	1	8,737	-
Prepayments of land and equipment (Note 13)	4,195	-	5,108	-
Refundable deposits (Note 4)	5,683	-	4,717	-
Total non-current assets	723,624	34	628,518	29
TOTAL	$ 2,149,667	100	$ 2,132,623	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 17)	$ 93,308	4	$ 90,000	4
Notes payables	9	-	9	-
Trade payables	327,649	15	362,908	17
Other payables (Note 18)	90,758	4	129,088	6
Other payables to related parties (Note 29)	-	-	756	-
Current tax liabilities (Notes 4 and 24)	8,417	1	28,050	1
Lease liabilities - current (Notes 4 and 14)	11,098	1	9,472	1
Current portion of long-term borrowings (Notes 4, 17 and 30)	25,511	1	25,511	1
Refund provisions (Notes 4, 5 and 19)	23,308	1	25,934	1
Other current liabilities	80,062	4	51,004	3
Total current liabilities	660,120	31	722,732	34
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 17 and 30)	322,757	15	318,425	15
Deferred tax liabilities (Notes 4 and 24)	22,512	1	20,430	1
Lease liabilities - non-current (Notes 4 and 14)	10,881	-	6,318	-
Net defined benefit liabilities - non-current (Note 20)	1,475	-	8,011	-
Other non-current liabilities	709	-	10,012	1
Total non-current liabilities	358,334	16	363,196	17
Total liabilities	1,018,454	47	1,085,928	51
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 21)				
Ordinary shares	328,700	15	300,280	14
Capital surplus	359,848	17	287,556	13
Retained earnings				
Legal reserve	57,437	3	45,402	2
Special reserve	10,089	-	9,746	-
Unappropriated earnings	270,935	13	313,240	15
Total retained earnings	338,461	16	368,388	17
Other equity				
Exchange differences on translating foreign operations	(19,478)	(1)	(14,629)	-
Unrealized gain on financial assets at fair value through other comprehensive income	29,037	1	4,540	-
Total other equity	9,559	-	(10,089)	-
Total equity attributable to owners of the Company	1,036,568	48	946,135	44
NON-CONTROLLING INTERESTS (Notes 4 and 11)	94,645	5	100,560	5
Total equity	1,131,213	53	1,046,695	49
TOTAL	$ 2,149,667	100	$ 2,132,623	100

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

SYNPOWER CO., LTD. AND SUBSIDIARIES

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 5, 19, 22 and 29)	$ 1,283,778	100	$ 1,603,091	100
OPERATING COSTS (Notes 4, 10 and 23)	976,849	76	1,198,055	75
GROSS PROFIT	306,929	24	405,036	25
OPERATING EXPENSES (Notes 4, 23, 26 and 29)				
Selling and marketing expenses	124,210	10	111,907	7
General and administrative expenses	112,744	9	110,031	7
Research and development expenses	44,931	3	56,974	4
Expected credit (reversal gain) loss	(4,495)	-	6,220	-
Total operating expenses	277,390	22	285,132	18
PROFIT FROM OPERATIONS	29,539	2	119,904	7
NON-OPERATING INCOME AND EXPENSES (Notes 4, 12 and 23)				
Interest income	7,140	-	4,917	-
Other income	12,490	1	17,060	1
Other gains and losses	1,267	-	45,986	3
Finance costs	(5,435)	-	(6,040)	-
Share of loss of associates	(168)	-	(1,963)	-
Total non-operating income and expenses	15,294	1	59,960	4
PROFIT BEFORE INCOME TAX	44,833	3	179,864	11
INCOME TAX EXPENSE (Notes 4 and 24)	12,320	1	43,319	3
NET PROFIT FOR THE YEAR	32,513	2	136,545	8
OTHER COMPREHENSIVE INCOME (Notes 4, 20 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	126	-	2,064	-
Unrealized gain (loss) on investments in equity instruments designated as a fair value through other comprehensive income	24,497	2	(37,424)	(2)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(25)	-	(413)	-
	24,598	2	(35,773)	(2)

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SYNPOWER CO., LTD. AND SUBSIDIARIES

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

	2023		2022	
	Amount	%	Amount	%
Items that maybe reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	$ (4,392)	-	$ 2,569	-
Share of the other comprehensive loss in associates - exchange differences on translating foreign operations	(457)	-	(345)	-
	(4,849)	-	2,224	-
Other comprehensive gain (loss) for the year, net of income tax	19,749	2	(33,549)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 52,262	4	$ 102,996	6
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 30,087	2	$ 119,216	8
Non-controlling interests	2,426	-	17,329	-
	$ 32,513	2	$ 136,545	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 49,777	4	$ 85,149	5
Non-controlling interests	2,485	-	17,847	1
	$ 52,262	4	$ 102,996	6
EARNINGS PER SHARE (Note 25)				
Basic	$ 0.99		$ 3.97	
Diluted	$ 0.98		$ 3.94	

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

SYNPOWER CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company											
			Retained Earnings				Other Equity					
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2022	$ 300,280	$ 287,556	$ 43,213	$ 9,746	$ 231,114	$ 284,073	$ (16,853)	$ 41,964	$ 25,111	$ 897,020	$ 84,813	$ 981,833
Appropriation of 2021 earnings												
Legal reserve	-	-	2,189	-	(2,189)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(36,034)	(36,034)	-	-	-	(36,034)	-	(36,034)
Net profit for the year ended December 31, 2022	-	-	-	-	119,216	119,216	-	-	-	119,216	17,329	136,545
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	1,133	1,133	2,224	(37,424)	(35,200)	(34,067)	518	(33,549)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	120,349	120,349	2,224	(37,424)	(35,200)	85,149	17,847	102,996
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,100)	(2,100)
BALANCE AT DECEMBER 31, 2022	300,280	287,556	45,402	9,746	313,240	368,388	(14,629)	4,540	(10,089)	946,135	100,560	1,046,695
Appropriation of 2022 earnings												
Legal reserve	-	-	12,035	-	(12,035)	-	-	-	-	-	-	-
Special reserve	-	-	-	343	(343)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(60,056)	(60,056)	-	-	-	(60,056)	-	(60,056)
Net profit for the year ended December 31, 2023	-	-	-	-	30,087	30,087	-	-	-	30,087	2,426	32,513
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	42	42	(4,849)	24,497	19,648	19,690	59	19,749
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	30,129	30,129	(4,849)	24,497	19,648	49,777	2,485	52,262
Issuance of ordinary shares for cash	28,420	69,037	-	-	-	-	-	-	-	97,457	-	97,457
Issuance of ordinary shares under employee share options	-	3,255	-	-	-	-	-	-	-	3,255	-	3,255
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(8,400)	(8,400)
BALANCE AT DECEMBER 31, 2023	$ 328,700	$ 359,848	$ 57,437	$ 10,089	$ 270,935	$ 338,461	$ (19,478)	$ 29,037	$ 9,559	$ 1,036,568	$ 94,645	$ 1,131,213

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

SYNPOWER CO., LTD. AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 44,833	$ 179,864
Adjustments for:		
Depreciation expenses	28,894	24,685
Amortization expense	4,776	3,869
Expected credit (reversal gain) loss	(4,495)	6,220
Finance costs	5,435	6,040
Interest income	(7,140)	(4,917)
Dividend income	(10,996)	(7,733)
Compensation cost of employee share options	3,255	-
Share of loss of associates	168	1,963
Gain on disposal of property, plant and equipment	(2)	(60)
Gain on lease modification	(4)	(3)
Gain on disposal of non-current assets classified as held for sale	-	(29,578)
Write-down of inventories	2,454	4,212
(Reserve) recognized refund provisions	(654)	1,826
Changes in operating assets and liabilities		
Notes receivable	(208)	62,715
Trade receivables	(22,429)	(131,833)
Other receivables	161	(7,615)
Inventories	27,503	(36,545)
Prepayments	24,202	(52,062)
Other current assets	311	1,600
Trade payables	(35,259)	15,776
Other payables	(39,069)	12,384
Other current liabilities	29,058	(7,276)
Net defined benefit liabilities	(7,082)	(449)
Other non-current liabilities	(9,303)	(200)
Cash generated from operations	34,409	42,883
Interest received	7,279	4,834
Interest paid	(4,844)	(5,591)
Income tax paid	(34,476)	(26,808)
Net cash generated from operating activities	2,368	15,318
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(4,613)	-
Purchase of financial assets at amortized cost	(66,013)	(45,819)
Proceeds from sale of financial assets at amortized cost	47,890	58,536
Net cash outflow on acquisition of associates	-	(24,154)
Proceeds from disposal of non-current assets classified as held for sale	-	216,522
Payments for property, plant and equipment	(102,700)	(269,105)
Proceeds from disposal of property, plant and equipment	30,016	60
(Increase) decrease in refundable deposits	(966)	8

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SYNPOWER CO., LTD. AND SUBSIDIARIES

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

	2023	2022
Payments for intangible assets	$ (2,150)	$ (7,284)
Increase in prepayments for property, plant and equipment	(3,922)	(999)
Dividends received from investment in financial assets at fair value through other comprehensive income	7,362	7,733
Net cash used in investing activities	(95,096)	(64,502)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	437,308	323,000
Repayments of short-term borrowings	(434,000)	(353,000)
Repayments of short-term bills payable	-	(95,000)
Proceeds from long-term borrowings	55,846	324,879
Repayments of long-term borrowings	(51,449)	(208,507)
Repayment of the principal portion of lease liabilities	(12,935)	(10,643)
Dividends paid to owners of the Company	(60,056)	(36,034)
Proceeds from issuance of ordinary shares	97,457	-
Dividends paid to non-controlling interests	(8,400)	(2,100)
Net cash generated from/(used in) financing activities	23,771	(57,405)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(3,624)	(1,103)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(72,581)	(107,692)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	629,556	737,248
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 556,975	$ 629,556

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

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

1. GENERAL INFORMATION

SynPower Co., Ltd. (the "Company") was incorporated in the Republic of China (ROC) in April 29 2002. The Company and Subsidiaries (the "Group") is mainly engaged in the combination, manufacture, testing and sales of electronic equipment and the surface processing of printed circuit board (PCB).

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since November 2023.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on February 22, 2024.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

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

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

d. Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation.

f. Foreign currencies

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

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

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company and its foreign operations (including subsidiaries in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

g. Inventories

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

h. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

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

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

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

j. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties include right-of-use assets and properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, depreciation is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of the property for subsequent accounting is its carrying amount.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

m. Impairment of property, plant and equipment, right-of-use asset, investment properties and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

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

n. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at amortized cost

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

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, time deposits with original maturity of more than 3 months, pledged certificate of deposit, notes receivable, trade receivables, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

ii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including notes receivable and trade receivables) on each balance sheet date.

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

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

For internal credit risk management purposes, the Group considers if there is internal or external information that the debtor is no longer able to pay off its debts, a financial asset is in default (without taking into account any collateral held by the Group).

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

o. Provisions

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

Provisions for the expected cost of warranty obligations generated under sales contracts are recognized on the date of sale of the relevant products at the best estimate by the management of the Group of the expenditures required to settle the Group's obligations.

p. Revenue recognition

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

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of electronic equipment. Sales of electronic equipment are recognized as revenue when the goods are delivered to the customer's specific location and reach the agreed usable status, because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. Revenue from the sale of goods are measured at fair value of consideration received or receivable, net of estimated customer returns, discounts and other similar discounts. Estimated sales returns and other allowances is generally made and adjusted based on historical experience and the consideration of varying contractual terms to recognize refund provisions and right to recover a product.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from the maintenance services of equipment, the surface processing of PCB and other related technical services, is recognized at the time of service provision.

q. Leases

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

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

r. Borrowing costs

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

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

s. Government grants

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

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and recognized in profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

t. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

u. Share-based payment arrangements

Employee share options granted to employees

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

v. Taxation

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

1) Current tax

Income tax payable is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction. According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

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

2) Deferred tax

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

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

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

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

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Management will continue to review the estimates and underlying assumptions. If the revision of the estimate only affects the current period, it is recognized in the revision period; if the revision of the accounting estimate affects both the current period and the future period, it is recognized in the revision period and the future period.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets,

The provision for impairment of trade receivables is based on assumptions on probability of default and loss given default. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 1,121	$ 987
Checking accounts and demand deposits	437,550	515,987
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	118,289	112,582
Postal gift coupon	15	-
	$ 556,975	$ 629,556

The market rate intervals of cash in banks at the end of the reporting period were as follows:

	December 31	
	2023	2022
Bank deposits	0.001%-1.450%	0.001%-1.050%
Time deposits	1.550%-5.313%	1.000%-4.680%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2023	**2022**
Non-current		
Domestic investments		
Unlisted shares		
Odobez system Taiwan corporation. (Odobez)	$ 10,001	$ 10,001
Listed shares		
Symtek Automation Asia Co., Ltd. (Symtek)	133,405	104,295
	$ 143,406	$ 114,296

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

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	**2022**
Current		
Time deposits with original maturities of more than 3 months	$ 2,149	$ 2,150
Pledged certificate of deposit	41,789	23,803
	$ 43,938	$ 25,953
Non-current		
Pledged certificate of deposit	$ 2,000	$ 2,000

The market rate intervals of financial assets at amortized cost at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Time deposits with original maturities of more than 3 months	3.95%	3.27%
Pledged certificate of deposit	1.56%-5.31%	1.44%-1.72%

Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2023	2022
Notes receivable - operating	$ 1,576	$ 1,368
Less: Allowance for impairment loss	-	-
	$ 1,576	$ 1,368
Trade receivables	$ 576,064	$ 553,199
Less: Allowance for impairment loss	(13,402)	(13,896)
	$ 562,662	$ 539,303
Trade receivables from related parties	$ -	$ 730
Other receivables	$ 13,446	$ 10,112
Less: Allowance for impairment loss	(298)	(4,318)
	$ 13,148	$ 5,794

a. Notes receivable and trade receivables

The average credit period of sales of goods is 30 to 150 days. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group’s credit risk was significantly reduced.

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

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

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

December 31, 2023

	0 to 120 Days	121 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 365,400	$ 89,988	$ 59,453	$ 62,799	$ 577,640
Loss allowance (Lifetime ECL)	-	(562)	(1,737)	(11,103)	(13,402)
Amortized cost	$ 365,400	$ 89,426	$ 57,716	$ 51,696	$ 564,238

December 31, 2022

	0 to 120 Days	121 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 410,772	$ 43,833	$ 53,990	$ 46,702	$ 555,297
Loss allowance (Lifetime ECL)	-	(479)	(1,774)	(11,643)	(13,896)
Amortized cost	$ 410,772	$ 43,354	$ 52,216	$ 35,059	$ 541,401

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 13,896	$ 11,684
(Less) add: Net remeasurement of loss allowance	(475)	2,200
Foreign exchange translation (losses) gains	(19)	12
Balance at December 31	$ 13,402	$ 13,896

b. Other receivables

The Group has measured the loss allowance of other receivables as of December 31, 2023 and 2022.

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 4,318	$ 298
(Less) add: Net remeasurement of loss allowance	(4,020)	4,020
Balance at December 31	$ 298	$ 4,318

10. INVENTORIES

	December 31	
	2023	2022
Merchandise	$ 41,882	$ 74,117
Raw materials	30,711	42,435
Work in process	41,534	54,005
Finished goods	49,087	20,630
Inventory in transit	-	1,092
	$ 163,214	$ 192,279

For the year ended December 31, 2023 and 2022, the cost of goods sold related to inventory were $940,663 thousand and $1,156,909 thousand, respectively; the cost of goods sold including write-down of inventories were $2,454 thousand and $4,212 thousand, respectively.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2023	2022	Remark
SynPower Co., Ltd.	Synpower Co,. Ltd. (Synpower)	Trading company	100.00	100.00	
	HK Synpower Ltd. (HK Synpower)	Investment company	100.00	100.00	
	SynTop Co., Ltd. (SynTop)	Electronic product testing services, automated equipment, electronic components and other parts, and related maintenance services	76.76	76.76	
	SYNDIA INDIA PRIVATE LIMITED	Electronic components and other parts, and related maintenance services	100.00	100.00	
	Chipboard Technology Corporation (Chipboard)	Electroless nickel immersion gold for PCB	51.00	51.00	
HK Synpower	SynPower Co., Ltd. (Kunshan) (Kunshan SynPower)	Electronic product testing services, automated equipment, electronic components	100.00	100.00	
	SynPower Co., Ltd Dongguan. (Dongguan SynPower)	Electronic product testing services, automated equipment, electronic components and other parts, and related maintenance services	100.00	100.00	

The Company invests in Kunshan SynPower and Dongguan SynPower through subsidiary, HK Synpower. As of December 31, 2023, the amounts invested in Kunshan SynPower and Dongguan SynPower were $40,142 thousand (US$1,282 thousand) and $68,636 thousand (US$2,222 thousand), respectively.

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31 2023	2022
Chipboard	49.00%	49.00%

See Table 6 for the information on the places of incorporation and principal places of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2023	2022	2023	2022
Chipboard	$ 7,986	$ 15,330	$ 93,606	$ 93,961

Summarized financial information of Chipboard is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	December 31 2023	2022
Current assets	$ 190,810	$ 219,741
Non-current assets	115,080	104,068
Current liabilities	(77,924)	(79,868)
Non-current liabilities	(27,550)	(42,800)
Equity	$ 200,416	$ 201,141
Equity attributable to:		
Owners of the Company	$ 106,810	$ 107,180
Non-controlling interests of Chipboard	93,606	93,961
	$ 200,416	$ 201,141

	For the Year Ended December 31 2023	2022
Revenue	$ 246,388	$ 310,142
Profit for the year	$ 16,298	$ 31,285
Profit attributable to:		
Owners of the Company	$ 8,312	$ 15,955
Non-controlling interests of Chipboard	7,986	15,330
	$ 16,298	$ 31,285

	For the Year Ended December 31	
	2023	2022
Cash inflow/(outflow) from:		
Operating activities	$ 8,033	$ 60,408
Investing activities	(26,306)	(25,254)
Financing activities	(25,577)	(5,266)
Net cash (outflow)/inflow	$ (43,850)	$ 29,888
Dividends paid to non-controlling interests of:		
Chipboard	$ 8,400	$ 2,100

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Associate that is not individually material		
Jiangsu SLK High-Tech Co., Ltd. (Symtek Jiangsu)	$ 21,221	$ 21,846

	For the Year Ended December 31	
	2023	2022
Aggregate information of associates that are not individually material		
The Group's share of:		
Loss for the year	$ (168)	$ (1,963)
Other comprehensive income (loss)	(457)	(345)
Total comprehensive income (loss) for the year	$ (625)	$ (2,308)

In order to strengthen the business activities in the mainland China, on February 25, 2022, the Group's board of directors resolved to participate in a joint investment to establish Symtek Jiangsu through its subsidiary Dongguan SynPower. In September 2023, an investment of $24,154 thousand (CNY5,400 thousand) was injected, with a 20% shareholding ratio.

Refer to Table 7 "Information on Investments in Mainland China" for the nature of activities, principal places of business and countries of incorporation of the associate.

The share of profits and other comprehensive income enjoyed by associates and subsidiaries accounted for using equity method was calculated based on audited financial statements for the year ended December 31, 2023, and non-audited financial statements for the year ended December 31, 2022. The Group's management believes that financial statements of the investee companies, which have not been audited by an accountant, are not expected to require significant adjustments.

13. PROPERTY, PLANT AND EQUIPMENT

	2023					
	Beginning Balance	Additions	Disposals	Reclassification	Currency Exchange Differences	Ending Balance
Cost						
Land	$ 337,382	$ -	$ (30,013)	$ -	$ -	$ 307,369
Buildings	59,399	9,993	-	9,781	(250)	78,923
Machinery and equipment	114,159	1,016	(528)	(735)	(336)	113,576
Transportation equipment	3,416	93	-	-	(53)	3,456
Office equipment	12,332	533	(558)	-	(72)	12,235
Leasehold improvements	7,929	2,020	(2,612)	-	(69)	7,268
Other equipment	51,596	3,067	(273)	1,828	(62)	56,156
Construction in progress	8,270	85,900	-	(6,774)	-	87,396
	$ 594,483	$ 102,622	$ (33,984)	$ 4,100	$ (842)	$ 666,379
Accumulated depreciation and impairment						
Buildings	$ 24,107	$ 4,473	$ -	$ -	$ (10)	$ 28,570
Machinery and equipment	93,520	6,233	(528)	455	(35)	99,645
Transportation equipment	2,515	199	-	-	(46)	2,668
Office equipment	10,352	722	(557)	-	(61)	10,456
Leasehold improvements	7,859	302	(2,612)	-	(41)	5,508
Other equipment	42,184	3,724	(273)	-	(46)	45,589
	$ 180,537	$ 15,653	$ (3,970)	$ 455	$ (239)	$ 192,436
Net	$ 413,946					$ 473,943

	2022					
	Beginning Balance	Additions	Disposals	Reclassification	Currency Exchange Differences	Ending Balance
Cost						
Land	$ 36,000	$ 242,077	$ -	$ 59,305	$ -	$ 337,382
Buildings	28,250	6,287	-	24,905	(43)	59,399
Machinery and equipment	109,810	3,314	(1,990)	2,993	32	114,159
Transportation equipment	2,845	530	-	-	41	3,416
Office equipment	11,828	836	(384)	-	52	12,332
Leasehold improvements	7,671	237	(8)	-	29	7,929
Other equipment	47,873	3,967	(292)	-	48	51,596
Construction in progress	14,422	19,487	-	(25,899)	260	8,270
	$ 258,699	$ 276,735	$ (2,674)	$ 61,304	$ 419	$ 594,483
Accumulated depreciation and impairment						
Buildings	$ 22,838	$ 1,269	$ -	$ -	$ -	$ 24,107
Machinery and equipment	84,439	8,052	(1,990)	2,993	26	93,520
Transportation equipment	2,160	324	-	-	31	2,515
Office equipment	10,156	539	(384)	-	41	10,352
Leasehold improvements	7,463	375	(8)	-	29	7,859
Other equipment	39,824	2,620	(292)	-	32	42,184
	$ 166,880	$ 13,179	$ (2,674)	$ 2,993	$ 159	$ 180,537
Net	$ 91,819					$ 413,946

The Group's board of directors resolved to purchase land in the Dajiang section of Zhongli District for the purpose of constructing factory buildings and offices for the use of the Group. The Group had signed a land purchase contract on October 15, 2021, and agreed on the total transaction price of $297,653 thousand on April 20, 2022. After completing land registration transfer process in July 2022, the Group had reclassified the prepayment and related acquisition costs as land.

No impairment assessment was performed for the years ended December 31, 2023 and 2022 as there was no indication of impairment.

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

Buildings	5-25 years
Machinery and equipment	3-10 years
Transportation equipment	3-10 years
Office equipment	1-5 years
Leasehold improvements	2-5 years
Other equipment	2-10 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 30.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	**2022**
Carrying amount		
Buildings	$ 17,745	$ 10,305
Transportation equipment	3,514	5,587
	$ 21,259	$ 15,892

	For the Year Ended December 31	
	2023	**2022**
Additions to right-of-use assets	$ 21,180	$ 14,133
Depreciation charge for right-of-use assets		
Buildings	$ 8,957	$ 6,378
Transportation equipment	4,284	4,433
	$ 13,241	$ 10,811

b. Lease liabilities

	December 31	
	2023	**2022**
Carrying amounts		
Current	$ 11,098	$ 9,472
Non-current	$ 10,881	$ 6,318

Range of weighted average interest rate for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	2.46%	0.96%
Transportation equipment	1.73%	1.28%

The Group leases buildings and transportation equipment for operational use with lease terms of 1 to 4 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

c. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 6,653	$ 6,891
Expenses relating to low-value asset leases	$ 3,390	$ 2,895
Total cash outflow for leases	$ 22,978	$ 20,624

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

15. INVESTMENT PROPERTIES (FOR THE YEAR ENDED DECEMBER 31, 2023: NONE)

	Land	Buildings	Total
Cost			
Balance at January 1, 2022	$ 155,210	$ 32,429	$ 187,639
Reclassification	(155,210)	(32,429)	(187,639)
Balance at December 31, 2022	$ -	$ -	$ -
Accumulated depreciation			
Balance at January 1, 2022	$ -	$ -	$ -
Depreciation expenses	-	695	695
Reclassification	-	(695)	(695)
Balance at December 31, 2022	$ -	$ -	$ -
Carrying amount at December 31, 2022	$ -	$ -	$ -

Since the Group considered that investment properties were available for immediate sale and highly likely to be sold. The carrying amounts of investment properties were reclassified to non-current assets held for sale in September 2022. The disposal transaction was completed in December 2022, deducting necessary disposal expenses of $3,478 thousand, resulting in a net disposal proceeds of $216,522 thousand.

16. GOODWILL

The Group acquired 51% equity interest of Chipboard Technology Corporation on October 30, 2020. The consideration paid, including the fair value of non-controlling interests had exceeded the fair value of net identifiable assets, resulting in the recognition of goodwill of $1,676 thousand on the acquisition date. As of December 31, 2023 and 2022, the carrying value of goodwill remained unchanged.

17. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	**2022**
Unsecured borrowings		
Line of credit borrowings	$ 93,308	$ 90,000

Range of interest rate on balance sheet date was as follows:

	December 31	
	2023	**2022**
Line of credit borrowings	0.50%-2.41%	1.63%-1.87%

As of December 31, 2023, the credit borrowings of SynTop is guaranteed jointly by the Chairman of the Company. Additionally, the credit borrowings of the Company is jointly guaranteed by the Chairman and the General Manager of the Company.

b. Long-term borrowings

	For the Year Ended December 31	
	2023	**2022**
Bank loans	$ 348,268	$ 343,936
Less: Current portion	(25,511)	(25,511)
Long-term borrowings	$ 322,757	$ 318,425

In order to purchase land and plants on Beiyuan Road, Zhongli District, and to support subsequent repairment and renovation projects, the Group had signed three medium-to-long-term facility agreements with Mega Bank in April 2021. The facility limits were $124,000 thousand, $50,000 thousand, and $50,000 thousand respectively. The Group initially used the facility drawdown on April 28, May 7, and May 17, 2021 correspondingly. According to the agreements, the first installment was due two years, one year, and one year respectively from the initial drawdown date, followed by installments every three months. The principal amounts were amortized over 53, 17, and 25 installments respectively. The long-term borrowings were secured by the land and plants on Beiyuan Road, Zhongli District, and were fully repaid ahead of schedule in December 2022.

To enhance midterm operational funds, the Group entered into a medium-term facility agreement with Taipei Fubon Commercial Bank, with a facility limit of $80,000 thousand. The Group initially used the facility drawdown in October 2021. According to the agreement, the principal was to be repaid in 48 monthly installments starting one year after the initial drawdown date. As of December 31, 2023, the effective annual interest rate was 1.64%. The medium-to-long-term borrowing was pledged by land and buildings on Datong 1st Rd., Guanyin Dist., Taoyuan City as collateral.

To enhance midterm operational funds, the Group entered into a medium-to-long-term facility agreement with Hua Nan Commercial Bank, with a facility limit of $40,000 thousand. The Group initially used the facility drawdown in May 2022. According to the agreement, the principal was to be repaid monthly starting from the initial drawdown date. As of December 31, 2023, the effective annual interest rate was 2.17%. The medium-term borrowing was not secured by any assets but was jointly guaranteed by the Chairman and the General Manager of the Company.

For the expanding operational scale and capacity, the Group purchased land on Xinsheng Road, Zhongli District, and planned to construct plants. Therefore, the Group entered into a comprehensive facility agreement with E.Sun Commercial Bank in June 2022. The medium-term facility limit for land was $208,000 thousand, and The Group initially used the facility drawdown on July 5, 2022, with a drawdown period of four years. According to the agreement, interest was to be paid monthly, and the repayment was to be made upon maturity. As of December 31, 2023, the effective annual interest rate was 2.09%. On the other hand, the medium-term facility limit for buildings was $310,000 thousand, and The Group initially used the facility drawdown on September 1, 2023, with a drawdown period of four years. According to the agreement, interest was to be paid monthly, and the repayment was to be made upon maturity. As of December 31, 2023, the effective annual interest rate was 2.09%. The borrowing were secured by the land on Xinsheng Road, Zhongli District, please refer to Note 30 for more information. Additionally, after the completion of the plant and acquiring the usage permission, the plant should also be pledged as collateral.

In order to proceed long-term equity investments, the Group entered into a long-term facility agreement with Taipei Fubon Commercial Bank in September 2022, with a facility limit of $127,000 thousand (US$4,000 thousand). The Group initially used the facility drawdown on September 16, 2022, with a drawdown period of seven years. According to the agreement, interest was to be paid quarterly, and the repayment was to be made upon maturity. As of December 31, 2023, the effective annual interest rate was 2.99%. The facility was fully repaid ahead of schedule on December 28, 2023.

18. OTHER PAYABLES

	December 31	
	2023	**2022**
Other payables	$ 36,696	$ 47,486
Payables for salaries or bonuses	20,512	21,329
Payables for insurance	2,641	9,662
Payables for bonuses to employees' compensation and directors' remuneration	-	7,630
Payables for equipment	30,909	42,981
	$ 90,758	$ 129,088

19. REFUND PROVISIONS

	December 31	
	2023	**2022**
Customer returns and rebates	$ 23,308	$ 25,934

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 25,934	$ 41,987
Reserve during the year	(2,324)	(2,215)
Used during the year	(256)	(14,118)
Effect of foreign currency exchange differences	(46)	280
Balance at December 31	$ 23,308	$ 25,934

The refund provisions is based on the management's judgments and other known reasons for which estimated product returns and rebates may occur for the year ended. The provision is recognized as a reduction of operating income in the periods in which the related goods are sold.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

Kunshan SynPower and Dongguan SynPower are members of a state-managed retirement benefit plan operated by the government of China. The subsidiary is required to contribute specific percentage of the basic salary costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The defined benefit plans adopted by the Company and Chipboard in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company and Chipboard contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

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

	December 31	
	2023	2022
Present value of defined benefit obligation	$ 15,562	$ 15,063
Fair value of plan assets	(23,496)	(15,789)
Net defined benefit (assets) liabilities	$ (7,934)	$ (726)

(Continued)

	December 31	
	2023	2022
Net defined benefit assets	$ (9,409)	$ (8,737)
Net defined benefit liabilities	1,475	8,011
	$ (7,934)	$ (726)

(Concluded)

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2022	$ 15,690	$ (13,903)	$ 1,787
Service cost			
Current service cost	234	-	234
Net interest expense (income)	110	(113)	(3)
Recognized in profit or loss	344	(113)	231
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,093)	(1,093)
Actuarial loss - changes in financial assumptions	(895)	-	(895)
Actuarial gain - experience adjustments	(76)	-	(76)
Recognized in other comprehensive income	(971)	(1,093)	(2,064)
Contributions from the employer	-	(680)	(680)
Balance at December 31, 2022	15,063	(15,789)	(726)
Service cost			
Current service cost	218	-	218
Net interest expense (income)	210	(203)	7
Recognized in profit or loss	428	(203)	225
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(197)	(197)
Actuarial loss - changes in financial assumptions	110	-	110
Actuarial gain - experience adjustments	(39)	-	(39)
Recognized in other comprehensive income	71	(197)	(126)
Contributions from the employer	-	(7,307)	(7,307)
Balance at December 31, 2023	$ 15,562	$ (23,496)	$ (7,934)

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

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2023	**2022**
Discount rate(s)	1.250%-1.380%	1.250%-1.500%
Expected rate(s) of salary increase	2.250%-3.000%	2.250%-3.000%

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

	December 31	
	2023	**2022**
Discount rate(s)		
0.25% increase	$ (371)	$ (381)
0.25% decrease	$ 384	$ 394
Expected rate(s) of salary increase		
0.25% increase	$ 869	$ 906
0.25% decrease	$ (786)	$ (816)

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

	December 31	
	2023	**2022**
Expected contributions to the plans for the next year	$ 112	$ 709
Average duration of the defined benefit obligation	13.3-14.2 years	10.4-14.9 years

21. EQUITY

a. Ordinary shares

	December 31	
	2023	**2022**
Shares authorized (in thousands of shares)	60,000	60,000
Shares authorized	$ 600,000	$ 600,000
Shares issued and fully paid (in thousands of shares)	32,870	30,028
Shares issued and fully paid	$ 328,700	$ 300,280

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

The Company's board of directors resolved to issue 2,842 thousand ordinary shares with $10 par value for pre-initial public offering placement, the above issuance of shares for cash capital increase was approved by the Taiwan Stock Exchange under letter No. 1121804375 and effective on October 31, 2023, the registration change was completed on November 15, 2023. The shares in the aforementioned cash capital increase are issued at a premium, includes the issuance of an underwriting price of $28 per share for employee subscription and public subscription and at weighted average price of the winning bidders of $38.32 per share for the auction. After deducting the underwriting handling fees, the net issuance amount of $97,457 thousand has been fully collected.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 354,592	$ 285,555
Executive employees stock options	3,255	-
May only be used to offset a deficit		
Changes in percentage of ownership interests in subsidiaries (2)	2,001	2,001
	$ 359,848	$ 287,556

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 23-7.

The Company's Articles also stipulate a dividends policy whereby the dividend distribution is mainly based on cash dividends and stock dividends balanced dividend policies, of which the cash dividend payment ratio is limited to not less than 10% of the total dividends distributed from the earnings of the current year.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. 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.

The Company has set aside and reversed the special surplus reserve in accordance with the provisions of Financial Supervisory Securities Letter No. 1090150022 and the "Q&A of Application of Set Aside Special Reserve After Adoption of International financial statements Standards (IFRSs)".

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

	Earning Appropriation		Dividend Per Share (NT$)	
	2022	2021	2022	2021
Legal reserve	$ 12,035	$ 2,189		
Special reserve	343	-		
Cash dividend	60,056	36,034	$ 2.0	$ 1.2

The above appropriations for cash dividends were resolved by the Company's board of directors on February 23, 2023 and March 29, 2022, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on May 18, 2023 and June 10, 2022, respectively.

The appropriation of earnings for 2023, which were proposed by the Company's board of directors on February 22, 2023, were as follows:

	Earning Appropriation	Dividend Per Share (NT$)
Legal reserve	$ 3,013	
Cash dividend	39,444	$ 1.2

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on May 15, 2024.

22. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Revenue from the sale of goods	$ 1,011,492	$ 1,281,414
Revenue from surface processing of PCB	246,388	310,142
Revenue from the rendering of services	25,898	11,535
	$ 1,283,778	$ 1,603,091

23. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits interest	$ 6,115	$ 4,792
Reverse repurchase bonds interest	849	82
Others	176	43
	$ 7,140	$ 4,917

b. Other income

	For the Year Ended December 31	
	2023	2022
Dividends	$ 10,996	$ 7,733
Government grants income	497	8,428
Rental income	287	-
Others	710	899
	$ 12,490	$ 17,060

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net foreign exchange gains	$ 1,493	$ 19,765
Gain on lease modification	4	3
Gain on disposal of property, plant and equipment	2	60
Gain on disposal of non-current assets classified as held for sale	-	29,578
Fair value changes of financial assets designated as at FVTPL	-	38
Others	(232)	(3,458)
	$ 1,267	$ 45,986

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 9,407	$ 7,341
Interest on lease liabilities	565	195
Less: Capitalized interest	(4,537)	(1,496)
	$ 5,435	$ 6,040

Information on capitalized interest is as follows:

	For the Year Ended December 31	
	2023	2022
Capitalized interest amount	$ 4,537	$ 1,496
Capitalization rate	1.84%-2.22%	1.55%-1.84%

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 15,653	$ 13,179
Right-of-use assets	13,241	10,811
Investment properties	-	695
Intangible assets	4,776	3,869
	$ 33,670	$ 28,554
An analysis of depreciation by function		
Operating costs	$ 11,055	$ 7,871
Operating expenses	17,839	16,814
	$ 28,894	$ 24,685
An analysis of amortization by function		
Operating costs	$ 166	$ 216
Operating expenses	4,610	3,653
	$ 4,776	$ 3,869

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plan	$ 10,034	$ 10,388
Defined benefit plans	225	231
	10,259	10,619
Share-based payments	3,255	-
Other employee benefits	249,027	254,739
Total employee benefits expense	$ 262,541	$ 265,358
An analysis of employee benefits expense by function		
Operating costs	$ 81,028	$ 77,566
Operating expenses	181,513	187,792
	$ 262,541	$ 265,358

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 3% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on February 22, 2024 and February 23, 2023, respectively, are as follows:

Amount

	For the Year Ended December 31	
	2023	**2022**
Compensation of employees	$ 1,526	$ 6,127
Remuneration of directors	458	1,757

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 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.

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	**2022**
Foreign exchange gains	$ 43,867	$ 73,780
Foreign exchange losses	(42,374)	(54,015)
Net gain on foreign currency exchange	$ 1,493	$ 19,765

24. INCOME TAXES

a. Income tax recognized in profit or loss

	For the Year Ended December 31	
	2023	**2022**
Current tax		
In respect of the current year	$ 14,852	$ 35,679
Income tax on unappropriated earnings	2,336	1,534
Adjustments for prior year	(3,798)	(892)
	13,390	36,321
Deferred tax		
In respect of the current year	902	6,998
Adjustments for prior year	(1,972)	-
	(1,070)	6,998
Income tax expense recognized in profit or loss	$ 12,320	$ 43,319

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

	For the Year Ended December 31	
	2023	2022
Profit before tax from continuing operations	$ 44,833	$ 179,864
Income tax expense calculated at the statutory rate	$ 23,714	$ 65,137
Items to be adjusted in determining taxable income	(11,758)	(33,865)
Income tax on unappropriated earnings	2,336	1,534
Unrecognized loss carryforwards	3,798	-
Unrecognized loss carryforwards recognized in prior year used	-	(1,906)
Adjustments for prior year - current tax	(3,798)	(892)
Adjustments for prior year - deferred tax	(1,972)	-
House and land transactions income tax	-	13,311
Income tax expense recognized in profit or loss	$ 12,320	$ 43,319

The statutory rate of Kunshan SynPower and Dongguan SynPower are both 25% and depending on the objective conditions such as profitability, the preferential tax rate of the small and low-profit businesses, enterprise income tax issued by the Ministry of Finance and the State Taxation Administration of Mainland China might be applicable. The tax rate of HK Synpower is 16.5%. Synpower is registered in a tax-exempt country and enjoys preferential tax rates under local laws. The tax rate of SYNDIA INDIA PRIVATE LIMITED is 40% and additional tax shall be paid in proportion to a specific proportion of the tax payable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plans	$ (25)	$ (413)

c. Current tax assets and liabilities

	For the Year Ended December 31	
	2023	2022
Current tax assets		
Tax refund receivable	$ 4,962	$ 3,338
Current tax liabilities		
Income tax payable	$ 8,417	$ 28,050

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Unrealized net gain on sale of goods	$ 491	$ (51)	$ -	$ -	$ 440
Defined benefit retirement plan	1,601	(1,312)	5	-	294
Refund provisions	3,599	(235)	-	(3)	3,361
Unrealized loss on inventories	9,866	107	-	(75)	9,898
Others	11,265	3,380	-	(152)	14,493
	26,822	1,889	5	(230)	28,486
Tax losses	4,353	1,494	-	-	5,847
	$ 31,175	$ 3,383	$ 5	$ (230)	$ 34,333

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Investments accounted for using the equity method	$ 6,902	$ 667	$ -	$ -	$ 7,569
Others	13,528	1,646	30	(261)	14,943
	$ 20,430	$ 2,313	$ 30	$ (261)	$ 22,512

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Unrealized net gain on sale of goods	$ 808	$ (317)	$ -	$ -	$ 491
Defined benefit retirement plan	1,891	123	(413)	-	1,601
Refund provisions	3,971	(388)	-	16	3,599
Unrealized loss on inventories	9,046	745	-	75	9,866
Others	8,019	3,173	-	73	11,265
	23,735	3,336	(413)	164	26,822
Tax losses	6,259	(1,906)	-	-	4,353
	$ 29,994	$ 1,430	$ (413)	$ 164	$ 31,175

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Investments accounted for using the equity method	$ 5,731	$ 1,171	$ -	$ -	$ 6,902
Others	6,207	7,257	-	64	13,528
	$ 11,938	$ 8,428	$ -	$ 64	$ 20,430

e. Information on unused investment credits, unused loss carryforwards and tax-exemptions

	December 31	
	2023	2022
Loss carryforwards	$ 45,955	$ 29,363

f. Related to investment for which no deferred tax assets have been recognized in the consolidated balance sheets:

As of December 31, 2023 and 2022, deferred tax liabilities have not been recognized for taxable temporary differences associated with investments in subsidiaries is $170,681 thousand and $134,130 thousand, respectively.

g. Income tax assessments

The income tax returns of the Company, Chipboard and SynTop through 2021 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share	$ 0.99	$ 3.97
Diluted earnings per share	$ 0.98	$ 3.94

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

	For the Year Ended December 31	
	2023	2022
Profit for the year attributable to owners of the Company	$ 30,087	$ 119,216

Number of Shares

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	30,511	30,028
Effect of potentially dilutive ordinary shares		
Compensation of employees	64	203
Weighted average number of ordinary shares used in the computation of diluted earnings per share	30,575	30,231

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

26. SHARE-BASED PAYMENT ARRANGEMENTS

On August 31, 2023, the Company's board of directors resolved to issue ordinary shares, which consisted of 313 thousand shares for employee share option plan. Employees who meet specific criteria are given the options and could exercise the shares in accordance with the employee share option plan issuance and subscription terms and conditions immediately. The duration of the employee share option plan is 9 days and the exercise price is $28.

Information on employee share options was as follows:

	For the Year Ended December 31, 2023	
Employee Share Options	**Number of Options (In Thousands of Units)**	**Weighted-average Exercise Price ($)**
Balance at January 1	-	$ -
Options granted	313	28
Options exercised	(313)	
Balance at December 31	-	
Weighted-average fair value of options granted ($)	$ 12.04	

Options granted in August 2023 is priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

Grant-date share price	$40.04
Exercise price	$28.00
Expected volatility	26.99%
Expected dividend yield	0%
Duration	9 days
Risk-free interest rate	0.95%

Compensation costs recognized were $3,255 thousand for the year ended December 31, 2023.

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

28. FINANCIAL INSTRUMENTS

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

The management of the Group considers that the carrying amounts of financial assets and financial liabilities not measured at fair value are closer to their fair values or their fair values cannot be reliably measured.

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Investments in equity instruments				
Listed shares	$ 133,405	$ -	$ -	$ 133,405
Unlisted shares	-	-	10,001	10,001
	$ 133,405	$ -	$ 10,001	$ 143,406

December 31, 2022

	Level 1	Level 2	Level 3	Total
Investments in equity instruments				
Listed shares	$ 104,295	$ -	$ -	$ 104,295
Unlisted shares	-	-	10,001	10,001
	$ 104,295	$ -	$ 10,001	$ 114,296

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

The fair values of unlisted equity securities were determined using the market approach. To calculate the fair value of the investment, the fair value is determined by the transaction price of the shares traded in the active market of an enterprise engaged in the same or similar business, the value multiplier of the price and related transaction information, and the significant unobservable input value is mainly the liquidity discount. The unobservable input value used on December 31, 2023 and 2022 are both a liquidity discount of 20%.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at amortized cost (1)	$ 1,185,982	$ 1,209,421
Financial assets at fair value through other comprehensive income	143,406	114,296
Financial liabilities		
Amortized cost (2)	859,992	926,697

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturities of more than 3 months, pledged certificate of deposit, notes receivable, trade receivables, other receivables and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, trade payables, other payables and long-term borrowings.

d. Financial risk management objectives and policies

The Group's major financial instruments include notes receivable, trade receivables, trade payables and borrowings. The financial risk management objectives of the Group is to manage market risk, credit risk and liquidity risk related to operational activities. In order to mitigate the associated risks, the Group's management is committed to identifying, evaluating and avoiding market uncertainties in order to mitigate the potential adverse impact of market changes on the Group's financial performance.

1) Market risk

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

a) Foreign currency risk

The Group engages in foreign currency-denominated sales and purchase transactions, causing the Group to cause risk exposure to the fluctuation of the exchange rates. In order to avoid fluctuations in the value of foreign currency assets and future cash flows due to exchange rate fluctuations, the Group avoids the impact of the exchange rates fluctuations through analyzing the amount and maturity period of foreign currency assets and liabilities and considering the risk of foreign currency net position to avoid related risks.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are set out in Note 31.

<u>Sensitivity analysis</u>

The Group's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. When the functional currency of the Group appreciates/depreciates by 1% against USD, the Group's net income before tax will decrease/increase by $1,819 thousand and $2,608 thousand in 2023 and 2022, respectively.

In the opinion of the Group's management, this sensitivity analysis is unrepresentative of the Group's inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate financial assets and financial liabilities; the Group is also exposed to cash flow interest rate risk in relation to variable-rate financial assets and financial liabilities. The Group's management regularly monitors changes in market interest rates and adjusts the fixed and floating rate financial liabilities to keep the interest rates of the Group close to the market interest rates to cope with the risks arising from changes in market interest rates.

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

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 164,242	$ 140,535
Financial liabilities	115,287	85,790
Cash flow interest rate risk		
Financial assets	436,731	515,064
Financial liabilities	348,268	363,936

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of financial assets and financial liabilities on the balance sheet date. The Group uses a 0.5% increase/decrease in market interest rates as a reasonable risk assessment to report interest rate changes to management. If the interest rate increased/decreased by 0.5% basis points and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by $442 thousand and $756 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk is fairly equivalent to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The policies adopted by the Group are to trade only with well-reputed counterparties, and to continuously monitor credit exposure and the credit status of counterparties to mitigate the risk of financial losses arising from default. The Group uses other publicly available financial information and mutual transaction records to rate its major customers. The Group continues to monitor credit exposure and the creditworthiness of counterparties.

The trade receivables balance of the largest five customers accounted for 40% and 53% of the total trade receivables of the Group as of December 31, 2023 and 2022, respectively. The credit concentration risk of the remaining trade receivables is relatively insignificant.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group had available unutilized short-term bank borrowings facilities set out in (2) below.

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

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

	Weighted Average Effective Interest Rate (%)	**Demand or Less than 1 Year**	**1-5 Years**	**5+ Years**
December 31, 2023				
Non-derivative financial liabilities				
Non-derivative financial liabilities		$ 418,416	$ -	$ -
Variable interest rate liabilities	2.04	33,285	335,467	26,416
Fixed interest rate liabilities	1.36	93,731	-	-
Lease liabilities	2.27	11,500	11,849	-
		$ 556,932	$ 347,316	$ 26,416
December 31, 2022				
Non-derivative financial liabilities				
Non-derivative financial liabilities		$ 492,761	$ -	$ -
Variable interest rate liabilities	1.85	51,750	301,806	33,329
Fixed interest rate liabilities	1.82	70,267	-	-
Lease liabilities	1.07	9,623	6,365	-
		$ 624,401	$ 308,171	$ 33,329

b) Financing amount

The undrawn facility facilities of the banks of the Group at the balance sheet date are as follows:

	December 31	
	2023	**2022**
Financing amount		
Undrawn amount	$ 1,557,030	$ 1,517,933

29. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

Related Party Name	Related Party Category
Industrial Technology Research Institute (ITRI)	Related party in substance (as of February 24, 2023)
Shengyi Limited Company (Shengyi)	Related party in substance

b. Sales of goods

		For the Year Ended December 31	
Line Item	Related Party Category/Name	2023	2022
Sales	Related party in substance		
	ITRI	$ -	$ 1,335

c. Receivables from related parties

	December 31	
Related Party Category/Name	2023	2022
Related party in substance		
ITRI	$ -	$ 730

The credit period of the receivable is 30 days from the end of the month.

The outstanding balances of trade receivables from related parties is not collateralized. No bad debts expense was set aside for receivables from related parties for the years ended December 31, 2023 and 2022.

d. Payables to related parties

	December 31	
Related Party Category/Name	2023	2022
Related party in substance		
ITRI	$ -	$ 756

e. Acquisition of property, plant and equipment

	Purchase Price	
	For the Year Ended December 31	
Related Party Category/Name	2023	2022
Related party in substance		
Shengyi	$ -	$ 1,400

f. Acquisition of intangible equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31 2023	2022
Related party in substance		
ITRI	$ 500	$ 3,220

g. Others

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Research and development expenses	Related party in substance ITRI	$ -	$ 733
Other expenses	Related party in substance ITRI	$ -	$ 14

h. Remuneration of key management personnel

The total remuneration of key management personnel as of December 31, 2023 and 2022, respectively were as follows:

	For the Year Ended December 31 2023	2022
Salaries and other	$ 22,962	$ 25,688
Post-employment benefits	300	418
	$ 23,262	$ 26,106

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, bank financing amount and post-release duty payment:

	For the Year Ended December 31 2023	2022
Pledged certificate of deposit (recognized as financial assets at amortized cost)	$ 43,789	$ 25,803
Property, plant and equipment, net	344,965	359,030
	$ 388,754	$ 384,833

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 7,331	30.705 (USD:NTD)	$ 225,098
JPY	50,476	0.217 (JPY:NTD)	10,963
CNY	12,435	4.327 (CNY:NTD)	53,806
RS	15,669	0.370 (RS:NTD)	5,798
Financial liabilities			
Monetary items			
USD	1,408	30.705 (USD:NTD)	43,233
JPY	46,170	0.217 (JPY:NTD)	10,028
CNY	941	4.327 (CNY:NTD)	4,072

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 9,729	30.710 (USD:NTD)	$ 298,786
JPY	34,138	0.232 (JPY:NTD)	7,934
CNY	42,321	4.408 (CNY:NTD)	186,550
RS	16,743	0.372 (RS:NTD)	6,229
Financial liabilities			
Monetary items			
USD	1,236	30.710 (USD:NTD)	37,963
JPY	99,685	0.232 (JPY:NTD)	23,167
CNY	6,104	4.408 (CNY:NTD)	26,905

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains were $1,493 thousand and $19,765 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions [and/or] functional currencies of the entities in the Group.

32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

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 4)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

9) Trading in derivative instruments (None)

10) Intercompany relationships and significant intercompany transactions (Table 9)

b. Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 1, 2 and 8):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were including sales of smart manufacturing equipment and its components and surface processing of PCB.

a. Segment revenue and results

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

For the year ended December 31, 2023

	Sales of Smart Manufacturing Equipment	Surface Processing of PCB	Total
Revenue from external customers	$ 1,037,390	$ 246,388	$ 1,283,778
Segment revenue	$ 10,606	$ 18,933	29,539
Interest income			7,140
Other income			12,490
Share of loss of associates			(168)
Other gains and losses			1,267
Finance costs			(5,435)
Profit before tax (continuing operations)			$ 44,833

For the year ended December 31, 2022

	Sales of Smart Manufacturing Equipment	Surface Processing of PCB	Total
Revenue from external customers	$ 1,292,949	$ 310,142	$ 1,603,091
Inter-segment revenue	460	-	460
Segment revenue	$ 1,293,409	$ 310,142	1,603,551
Eliminations			(460)
Consolidated revenue			1,603,091
Segment income	$ 77,788	$ 42,116	119,904
Interest income			4,917
Other income			17,060
Share of loss of associates			(1,963)
Other gains and losses			45,986
Finance costs			(6,040)
Profit before tax (continuing operations)			$ 179,864

Segment profit represents the profit before tax earned by each segment without interest income, other income, share of loss of associates, other gains and losses and finance costs. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

The information on the segments provided to the operating decision-makers by the Group did not include the assets of individual operating segments, so the financial information on the segments did not include the measured amount of the assets of the operating segments.

b. Geographical information

The Group's revenue from continuing operations from external customers by location of operations and information on its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Taiwan	$ 572,407	$ 565,709	$ 493,061	$ 435,005
Asia	711,371	1,027,847	27,927	22,520
Others	-	9,535	-	-
	$ 1,283,778	$ 1,603,091	$ 520,988	$ 457,525

Non-current assets exclude financial instruments, investments accounted for using the equity method, goodwill and deferred tax assets.

c. Information on major customers

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Customer A	$ 229,350	18	$ 251,764	16
Customer B	$ 106,871	8	$ 96,987	6

SYNPOWER CO., LTD. AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance (Note 3)	Actual Amount Borrowed (Notes 3 and 4)	Interest Rate (%)	Nature of Financing (Note 1)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)
													Item	Value		
0	SynPower Co., Ltd.	SynPower Co., Ltd. (Kunshan)	Other receivables from related parties	Yes	$ 17,308 (CNY 4,000 thousand)	$ -	$ -	-	1	$ 16,684	-	$ -	-	$ -	$ 16,684	$ 414,627
		SynPower Co., Ltd. Dongguan	Other receivables from related parties	Yes	16,443 (CNY 3,800 thousand)	-	-	-	1	25,540	-	-	-	-	25,540	414,627
		SynTop Co., Ltd.	Other receivables from related parties	Yes	30,000	-	-	-	1	82,634	-	-	-	-	82,634	414,627
1	SynPower Co., Ltd. Dongguan	SynPower Co., Ltd. (Kunshan)	Other receivables from related parties	Yes	8,654 (CNY 2,000 thousand)	-	-	-	2	-	Operating turnover	-	-	-	135,376	135,376

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

a. Fill in 1 for any business interaction.
b. Fill in 2 for any needs in short-term financing.

Note 2: The total amount for guarantees and endorsements provided by the Company to other entity for short-term financing shall not exceed 40% of the Company's net equity. The amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 40% of the Company's net equity. The amount of each loan by the Company for business relationships shall not exceed the amount of the business relationships in the past year. The amount of business relationship refers to the higher of the sales amount or purchase amount. The amount of each loan by the Company to any individual entity shall not exceed the amount of the business relationship. The amount of business relationship refers to the higher of the predictable sales amount or purchase amount. The total amount for guarantees and endorsements provided by DongGuan SynPower shall not exceed 100% of it's net equity.

Note 3: The foreign currencies are translated at the exchange rates prevailing on December 31, 2023.

Note 4: All the transactions had been eliminated in the consolidated financial statements.

SYNPOWER CO., LTD. AND SUBSIDIARIES

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	SynPower Co., Ltd.	SynPower Co., Ltd. Dongguan	Sub-subsidiary	$ 1,036,568	$ 122,820 (US$ 4,000 thousand)	$ 122,820 (US$ 4,000 thousand)	$ 23,366 (US$ 761 thousand)	$ 23,366 (US$ 761 thousand)	12	$ 1,036,568	Yes	No	Yes
		SynPower Co., Ltd. (Kunshan)	Sub-subsidiary	1,036,568	69,232 (CNY 16,000 thousand)	69,232 (CNY 16,000 thousand)	-	-	7	1,036,568	Yes	No	Yes
		SynTop Co., Ltd.	Subsidiary	1,036,568	115,000	115,000	61,308	-	11	1,036,568	Yes	No	No

Note 1: Calculated using the net value of the company as of December 31, 2023.

Note 2: The total amount of endorsements/guarantees provides to the subsidiary in which the Company directly or indirectly holds 100% of the shares is limited to 100% of net value of the parent company. The limit on endorsements/guarantees provided to a single entity is 100% of the net assets of the parent company.

Note 3: The foreign currencies are translated at the exchange rates prevailing on December 31, 2023.

SYNPOWER CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
SynPower Co., Ltd.	Odobez System Taiwan Corporation	-	Financial assets at fair value through other comprehensive income	259,000	$ 10,001	0.60	$ 10,001	-
	Symtek Automation Asia Co., Ltd.	-	Financial assets at fair value through other comprehensive income	1,276,599	133,405	1.70	133,405	Note

Note: It is evaluated based on the closing price of the last trading day of December 2023 on the Taiwan Stock Exchange.

TABLE 4

SYNPOWER CO., LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Property Owner	Property Owner	Property Owner			
SynPower Co., Ltd.	Plant construction works on Xinsheng Road	July 20, 2023	$ 398,900	Note	True-Dreams Construction Co., Ltd	-	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Planning and construction of plant and offices	None

Note: As of December 31, 2023, according to the agreement of the project contract, the company has paid a total of $75,981 thousand for the project and recognized as construction in progress.

SYNPOWER CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount (Note 2)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	Ending Balance	
SynPower Co., Ltd.	SynTop Co., Ltd.	Parent company and subsidiary	Purchase	$ 82,606	22.55	-	-	Note 1	$ 46,723	30.43	-

Note 1: In order to enrich the production capacity of SynTop Co., Ltd., the Company pays for partial purchase transaction in advance, the other transactions are not materially different from the general transaction type.

Note 2: All the transactions had been eliminated in the consolidated financial statements.

SYNPOWER CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 1)		As of December 31, 2023 (Note 3)			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 3)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
SynPower Co., Ltd.	HK Synpower Ltd.	Hong Kong	Investment company	$ 111,876 (US$ 3,630 thousand)	$ 111,876 (US$ 3,630 thousand)	3,630,000	100	$ 259,583	$ 36,442	$ 36,551	
	Synpower Co., Ltd	Republic of Seychelles	Trading Company	9,613 (US$ 319 thousand)	9,613 (US$ 319 thousand)	50,000	100	61,848	3,237	3,237	
	SynTop Co., Ltd.	Taiwan	Electronic product testing services, automated equipment, electronic components and other parts, and related maintenance services.	49,996	49,996	2,479,500	77	2,914	(18,990)	(18,020)	
	Chipboard Technology Corporation	Taiwan	Electroless nickel immersion gold for PCB	71,211	71,211	4,371,502	51	108,357	16,298	8,312	
	SYNDIA INDIA PRIVATE LIMITED	India	Electronic components and other parts, and related maintenance services	4,044 (INR 10,000 thousand)	4,044 (INR 10,000 thousand)	-	100	5,951	103	103	

Note 1: The original investment amount is converted at the exchange rate prevailing at the time of the original investment.

Note 2: Investments in mainland China are included in Table 7.

Note 3: All the transactions had been eliminated in the consolidated financial statements.

SYNPOWER CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 3)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 1)	Net Income (Loss) of the Investee (Note 2)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2023 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
SynPower Co., Ltd. (Kunshan)	Electronic product testing services, automated equipment, electronic components	$ 34,616 (CNY 8,000 thousand)	Invest Company in Mainland China through HK Synpower Ltd.	$ 40,142 (US$ 1,282 thousand)	$ -	$ -	$ 40,142 (US$ 1,282 thousand)	$ 28,838 (CNY 6,560 thousand)	100	$ 28,838 (CNY 6,560 thousand)	$ 125,752 (CNY 29,062 thousand)	$ -	Notes 5 and 6
SynPower Co., Ltd. Dongguan	Electronic product testing services, automated equipment, electronic components and other parts, and related maintenance services	60,578 (CNY 14,000 thousand)	Invest Company in Mainland China through HK Synpower Ltd.	68,636 (US$ 2,222 thousand)	-	-	68,636 (US$ 2,222 thousand)	7,583 (CNY 1,725 thousand)	100	7,583 (CNY 1,725 thousand)	135,376 (CNY 31,286 thousand)	-	Notes 5 and 6
Jiangsu SLK High-Tech Co., Ltd	Electronic product testing services, automated equipment, electronic components and other parts, and related maintenance services	116,829 (CNY 27,000 thousand)	Invest Company in Mainland China through DongGuan SynPower Co., Ltd.	-	-	-	-	(839) (CNY (191) thousand)	20	(168) (CNY (38) thousand)	21,221 (CNY 4,904 thousand)	-	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023 (Note 1)	Investment Amount Authorized by the Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 4)
$108,778 (US$3,504 thousand)	$107,590 (US$3,504 thousand)	$621,941

Note 1: The foreign currencies are translated at the exchange rate at the time of remittance of the original investment cost.

Note 2: The foreign currencies are translated at the average exchange rate in 2023.

Note 3: The foreign currencies are translated at the exchange rates prevailing on December 31, 2023.

Note 4: It was calculated by 60% of the Group’s net equity on December 31, 2023.

Note 5: All the transactions had been eliminated in the consolidated financial statements.

Note 6: The investment income (loss) recognized was based on the audited financial statement.

TABLE 8

SYNPOWER CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount (Note 1)	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
SynPower Co., Ltd. Dongguan	Sale	$ 25,540	5	No significant differences	No significant differences	No significant differences	$ 14,902	5	$ -	
	Purchase	296	-	No significant differences	No significant differences	No significant differences	(33)	-	-	
SynPower Co., Ltd. (Kunshan)	Sale	16,684	3	No significant differences	No significant differences	No significant differences	9,663	3	-	
	Purchase	422	-	No significant differences	No significant differences	No significant differences	(42)	-	-	

Note: All the transactions had been eliminated in the consolidated financial statements.

TABLE 9

SYNPOWER CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount (Note 2)	Payment Terms	% of Total Sales or Assets (Note 1)
0	SynPower Co., Ltd.	Dongguan SynPower	Parent company to sub-subsidiary	Trade receivables	$ 14,902	No significant differences with unrelated parties	0.69
				Sales	25,540	No significant differences with unrelated parties	1.99
		Kunshan SynPower	Parent company to sub-subsidiary	Trade receivables	9,663	No significant differences with unrelated parties	0.45
				Sales	16,684	No significant differences with unrelated parties	1.30
		SynTop	Parent company to sub-subsidiary	Prepayments	27,837	No significant differences with unrelated parties	1.29
				Trade payables	(46,723)	No significant differences with unrelated parties	(2.17)
				Purchase	(82,606)	No significant differences with unrelated parties	(6.43)
1	SynTop Co., Ltd.	Dongguan SynPower	Subsidiary company to sub-subsidiary	Purchase	(2,910)	No significant differences with unrelated parties	(0.23)
		Kunshan SynPower	Subsidiary company to sub-subsidiary	Purchase	(3,083)	No significant differences with unrelated parties	(0.24)

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

a. Parent company is "0".
b. The subsidiaries are numbered in order starting from "1".

Note 2: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is calculated based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 3: All the transactions had been eliminated in the consolidated financial statements.

TABLE 10

SYNPOWER CO., LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Number of Shares
Chi Bin Industrial Co., Ltd	4,786,751	14.56%
Kao Mei Industrial Co., Ltd	4,232,729	12.87%
Symtek Automation Asia Co., Ltd.	2,991,719	9.10%
Zhen Ding Technology Holding Limited	2,437,697	7.41%
Lin, Win-Bin	2,080,308	6.32%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Group as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.