

Minutes of 2024 Annual Shareholders' Meeting

(Translation)

Time: 9:00 a.m., June 18, 2024 (Tuesday)

Place: No. 1-1, Ln. 111, Sec. 3, Zhongshan Rd., Tanzi Dist., Taichung City

Total number of shares issued: 159,421,022

Attendant shares: 94,155,477 (including electronic voting 10,382,817 shares)
accounted for 59.06% of total shares

Attendant directors:

Chairman: Tseng, Ying-Tang

Director: Tseng, Ying-Tang 、 Tseng, Jung-Meng 、 Liu, Ping-Feng 、 Ku, Chih-Yun 、
Chiang, Hung-Yu 、 Liao, Lu-Lee 、 Liao, Pen-Lin

Independent Director: Tien, Chia-Sheng(Audit Committee convener) 、 LIU,
Chien-Cheng 、 Lee, Shu-Min

In attendance: CPA : Tu, Chin-Yuan at EY Taiwan

Chairman: Tseng, Ying-Tang

Recorder: Huang, Ling-Ling

1. Call meeting to order

2. Chairman's Address (Omitted)

3. Reported Matters

I. To report the business of 2023..

Description: For the 2023 Business Report, please refer to Annex 1.

II. Audit Committee's Review Report on the 2023 Financial Statements

Description: The 2023 Audit Committee's Review Report, please refer to Annex 2.

III. To report 2023 employees' profit sharing bonus and directors' compensation.

Description:

1. In accordance with Article 25 of the Company's "Articles of Incorporation:" Where there is a profit for the current year, the Company shall distribute 5% of the profit as remuneration to employees and not more than 3% of the profit as remuneration to directors. However, if the Company has accumulated losses, profit shall be set aside in advance to make up for the losses. According to the resolution adopted at the 6th meeting of the 13th Board, the distribution rate of the 2023 remuneration to directors is 2% of the profit for the year.
2. According to Article 235-1, Paragraph 3 of the Company Act, a company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting. According to the resolution adopted at the 7th meeting of the 13th Board, the distribution of employees' compensation distributed in the form of cash.
3. In summary, the 2023 remuneration expenses of employees were NT\$18,403,053 and the 2023 remuneration expenses of directors were NT\$7,361,221. These amounts are consistent with the estimation in the financial statements and will be distributed in the form of cash.

4. Proposals Matters

Matter 1

Proposed by the Board of Directors

Proposal : To adopt 2023 business report and financial statements..

Description:

1. The Company's 2023 financial statements and business report have been prepared. The financial statements have been audited by accountants Tu, Chin-Yuan and Huang, Yu-Ting of Ernst & Young Global Limited with an unqualified audit report issued; the business report has been submitted to the Audit Committee for review and an audit report has been issued.
2. For the above business report, please refer to Annex 1; for the above financial statements, please refer to Annex 3.

Resolution:

The subject is voting by poll and the result is: approval votes: 88,328,598 shares accounted for 93.81% of total shares, disapproval votes: 11,201 shares, abstention votes / no votes: 5,815,678 shares, invalid votes: 0 share. Because the approval votes exceeded statutory votes, the subject is passed.

Matter 2

Proposed by the Board of Directors

Proposal: To adopt the proposal of distribution of 2023 earnings.

Description:

1. The proposed earnings distribution table is as follows:

Earnings Distribution Table
2023

Summary	Amount	Remarks
Beginning period of undistributed earnings	839,702,878	
Adjustment items for undistributed earnings		
Disposal of equity instruments measured at fair value through other comprehensive income	-337,142	
Remeasurement of defined employee benefit plans to retained earnings	3,013,304	
Undistributed earnings after adjustment	842,379,020	
Net income after tax for 2023	260,988,274	
Statutory adjustment items		
Provision of 10% of legal surplus reserves	-26,366,442	
Provision of special reserves		
Distributable earnings	1,077,000,852	

Summary	Amount	Remarks
Distribution items		
Shareholder dividends - cash dividends	-159,421,022	
Ending period of undistributed earnings	917,579,830	
1. Earnings distribution will give priority to the 2023 undistributed earnings. 2. Actuarial gains and losses of defined benefit plans are recognized immediately in retained earnings in the period in which they arise.		

Chairman: Tseng, Ying-Tang President: Tseng, Jung-Meng Chief Accounting Officer: Huang, Ling-Ling

- Cash dividends are rounded off to the nearest dollar. The fraction of a share falling below NT\$1 is adjusted from the decimal point from the largest to the smallest and the account number from the front to the back in order to meet the total amount of cash dividends distributed. Based on the current outstanding 159,421,022 shares, a cash dividend of NT\$1 per share is to be distributed. After a resolution for cash dividend distribution is adopted by the Shareholders' General Meeting, the Board of Directors is authorized to set an ex-dividends date.

Resolution:

The subject is voting by poll and the result is: approval votes: 88,628,722 shares accounted for 94.13% of total shares, disapproval votes: 13,238 shares, abstention votes / no votes: 5,513,517 shares, invalid votes: 0 share. Because the approval votes exceeded statutory votes, the subject is passed.

5. Discussion Matters

Matter 1

Proposed by the Board of Directors

Proposal: Cash allotment from capital surplus.

Description:

- The Company intends to allocate NT\$79,710,511 as excess capital surplus from the issuance of shares in excess of par value. Based on the current outstanding 159,421,022 shares, NT\$0.5 per share is to be distributed in cash to all shareholders.
- Cash allotment from capital surplus is rounded off to the nearest dollar. The fraction of a share falling below NT\$1 is adjusted from the decimal point from the largest to the smallest and the account number from the front to the back in order to meet the total amount of cash dividends distributed.
- After a resolution is adopted by the Shareholders' General Meeting, the Board of Directors is authorized to set ex-dividends date.

Resolution:

The subject is voting by poll and the result is: approval votes: 88,629,754 shares accounted for 94.13% of total shares, disapproval votes: 12,218 shares, abstention votes / no votes: 5,513,505 shares, invalid votes: 0 share. Because the approval votes exceeded statutory votes, the subject is passed.

Matter 2

Proposed by the Board of Directors

Proposal: Amendments made to some provisions of the Company's "Articles of Incorporation".

Description:

1. According to the requirements, the Company made amendments to some provisions of its "Articles of Incorporation". For the Comparison Table, please refer to Annex 4.
2. Please approve.

Resolution:

The subject is voting by poll and the result is: approval votes: 88,628,190 shares accounted for 94.13% of total shares, disapproval votes: 13,853 shares, abstention votes / no votes: 5,513,434 shares, invalid votes: 0 share. Because the approval votes exceeded statutory votes, the subject is passed.

6. Extempore Motions

None

7. Meeting adjourned

Time: 9:27 a.m., June 18, 2024

2023 Business Report

I. 2023 Operating Results

(I) 2023 Operating Performance

The operation in 2023 was adversely affected by the inflation after Covid, customers' overstock, and low demand in the final markets. We expected it would take longer for the market to be back to pre-Covid level, and focused on enhancing our capabilities, improving production management, and developing new products. We believed these efforts would benefit our performance in the coming years.

The Company's 2023 operating results are stated as follows.

1. Standalone operating results and financial income, expenditures and profitability

Unit: NT\$ thousands

Item	2023	2022	Increase (Decrease) Amount	Increase (Decrease) %
Operating income	2,191,702	3,045,329	-853,627	-28.03%
Gross profit	572,458	1,181,502	-609,044	-51.55%
Operating profit	275,894	792,899	-517,005	-65.20%
Net income after taxes	260,988	768,276	-507,288	-66.03%

Item	2023 (%)	2022 (%)
Debt ratio	20.43	26.11
Current ratio	345.39	373.82
Quick ratio	208.95	245.88
Receivables turnover	3.89	4.57
Number of days of receivables collection	94	80
Inventory turnover (times)	1.79	2.19
Days sales in inventory	204	167
Return on assets	5.06	13.89
Return on equity	6.38	18.98
Profit margin	11.91	25.23
Earnings per share (NT\$)	1.64	4.82

2. Consolidated operating results and financial income, expenditures and profitability

Unit: NT\$ thousands

Item	2023	2022	Increase (Decrease) Amount	Increase (Decrease) %
Operating income	2,355,394	3,263,584	-908,190	-27.83%
Gross profit	646,361	1,250,672	-604,311	-48.32%
Operating profit	279,149	799,556	-520,407	-65.09%
Net income after taxes	260,742	768,073	-507,331	-66.05%

Item	2023 (%)	2022 (%)
Debt ratio	22.47	27.76
Current ratio	345.74	386.02
Quick ratio	221.60	258.63
Receivables turnover	3.86	4.45
Number of days of receivables collection	95	82
Inventory turnover (times)	1.82	2.28
Days sales in inventory	201	160
Return on assets	4.96	13.46
Return on equity	6.37	18.95
Profit margin	11.07	23.53

(II) Budget execution: The Company did not announce financial forecast in 2023.

(III) Technology and R&D Overview

1. R&D expenses for the year

The Company's R&D expenditure for 2023 totaled NT\$128,924 thousand, accounting for 5.47% of revenue.

2. Technologies or products successfully developed:

- A. Miniaturized wearable devices with high frequency, quartz crystal resonator (1.0x0.8mm²).
- B. Ultra-high-speed transmission converter system module (equipment/instrument), CML output (3.2x2.5mm²) development.
- C. Development of high fundamental frequency and ultra-low noise application for GNSS/GPS market with temperature compensated quartz crystal oscillator (1.6x1.2mm²).
- D. High precision and wide temperature range are used in Space X, and the development of temperature compensated quartz crystal oscillator (2.5x2.0mm²)
- E. AT-MESA 1612/1008 development.
- F. Tuning fork chip (TF) product low impedance design and development.

G. New design and development of tuning fork type chip TF-1610 4 inches.

II. 2024 Business Plan Outline

In 2024, we will continue investing in our capacity to extend our products into applications in Wifi 7, EV, and medical equipment. We aim to reduce the sizes and increase the precision of our products further so as to increase the added value. We expect to have significant expansion of our capacity, have good performance in product development, and offer customers good product combinations.

The Company's proposed business policy, business objectives and production and sales policies:

(I) Business Policy

1. Constant capital investment to improve operational performance in pursuit of smart production management.
2. Development of innovation and transformation of new products to increase profitability.
3. Expand new markets and seek strategic partners for cooperation.

(II) Projected Sales Volume and Its Basis

The forecast of the Company's 2024 sales volume forecast of products takes into account the outcomes of factors such as historical data, the sensitivity of managers to the market, competitive market trends and the Company's increased production capacity.

Unit: In thousands

Major product	Sales volume
Quartz element	845,000

(III) Important production and marketing policies and future development strategies

1. Market strategies

- (1) Apply front-end design certification work to seize opportunities.
- (2) Increase the service value of business and technology and establish product marketing to expand new applications.
- (3) Expand the markets in Europe and the U.S. to maintain profit margins.
- (4) Develop miniature application industry and expand product sales.

2. Product R&D strategies:

- (1) Improve the speed for product development while grasping costs and quality.
- (2) Develop professional technical personnel to improve software and hardware technology power.
- (3) To proactively develop 5G/Wi-Fi7 high-end communication technology applications.
- (4) Accelerate development of chip and process technologies for small products (1.0x0.8 mm).

3. Production strategies:

- (1) Provide customers with the most competitive products with the best quality.
- (2) Move towards automation production management to increase production efficiency and yield.
- (3) Control manufacturing expenses to reduce costs and improve profitability.
- (4) Enhance process management capabilities and develop and introduce management talent.

4. Quality assurance strategies:

- (1) Meet the reasonable demand of customers and put customers first.
- (2) Optimize the management capability of process quality to provide stable products.
- (3) Pursue zero customer complaints.
- (4) In line with the quality management system and execution of automotive electronics applications.

Chairman: Tseng, Ying-Tang/ CEO: Tseng, Jung-Meng/ Accountant: Huang, Ling-Ling

SIWARD Crystal Technology Co., Ltd.

Audit Committee's Review Report

The Board of Directors submitted the Company's 2023 business report, financial statements and earnings distribution table. The 2023 financial statements have been audited by accountants Tu, Chin-Yuan and Huang, Yu-Ting of EY Taiwan with an audit report issued. The business report, financial statements and earnings distribution table have been reviewed by the Audit Committee and found to be in conformity with Article 14-4 of the Securities and Exchange Act and Article 219 of the Securities and Exchange Act. A report has been respectfully submitted for your approval.

To

the 2024 Annual Shareholders' Meeting

SIWARD Crystal Technology Co., Ltd.

Audit Committee convener:

Tien, Chia-Sheng

February 29, 2024

Independent Auditor's Report Translated from Chinese

To SIWARD Crystal Technology Co., Ltd.:

Opinion

We have audited the accompanying consolidated financial statements of SIWARD Crystal Technology Co., Ltd. and its subsidiaries (the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and related consolidated statements of comprehensive income, changes in equity, cash flows, and notes to consolidated financial statements (including summary of significant accounting policies) for the years ended December 31, 2023 and 2022. The independent auditor has completed the audits of these statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022 and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Shanding Interpretations Committee as endorsed and became effective by 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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's 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 the Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”) and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 of the Group 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.

Impairment of accounts receivable

As of December 31, 2023, the carrying amounts of the accounts receivable and loss allowance of the Group were NT\$644,657 thousand and NT\$26,058 thousand, respectively. The net accounts receivable account for 12% of the total assets, which have significant influence over the Group. Because the amount of loss allowance for accounts receivable is measured by the expected credit losses during the duration, the accounts receivable should be classified into groups in the measurement process, and appropriate age ranges and the loss rates for each age range, and their forward-looking information should be determined. These activities involve management judgments or assumptions and the measurement result affects the net accounts receivable; therefore, we have identified the Impairment of accounts receivable as a key audit matter.

The audit procedures that we performed include (but not limited to) the evaluation on the effectiveness of the internal controls established by the management for accounts receivable, including the control of credit limits, the analysis on the trend of changes in accounts receivable and turnover ratio and tests in the subsequent collection of accounts receivable to assess the recoverability, the test in the readiness matrix they employ, including the assessment of whether each group of age ranges is reasonably determined and the spot check on original documents and confirm for their correctness, and recalculation of lifetime expected credit losses.

We also consider the appropriateness of accounts receivable and related risk disclosures in Notes IV、V and VI to the consolidated financial statements.

Inventory valuation

As of December 31, 2023, the carrying amounts of inventories was NT\$921,261 thousand, with net inventories accounting for 18% of the total assets, which have significant influence over the Group, and the end application of products is in the rapidly changing industry, resulting in the losses of slow-moving or obsolete inventories. Therefore, the allowance to reduce inventory to market and valuation of slow-moving inventories involve management judgments or assumptions, and thus we have judged inventory valuation as a key audit matter.

The audit procedures that we performed include, but not limited to, understanding and testing the effectiveness of the internal controls established by the management for inventories, including the evaluation procedures for the identification of obsolete or defective inventories; the evaluation on the management's stocktaking plan and on-site observation of inventory counting to verify the quantity and status of inventory; selection of samples to test the correctness and completeness of inventory age; selection of samples to re-calculating the unit cost of inventories; and evaluating net realizable value adopted by management.

We also consider the appropriateness of inventory related disclosures in Notes IV、V and VI to the consolidated financial statements.

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 requirements of Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Shanding Interpretations Committee as endorsed by 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 financial reporting process of the Group.

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 of 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 internal control of the Group.

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 ability to continue as a going concern of the Group. 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 accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our 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 statements 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 of the Group 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.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of SIWARD Crystal Technology Co., Ltd. As of and for the years ended December 31, 2023 and 2022.

The engagement partners on the audits resulting in this independent auditors' report are Tu, Chin-Yuan and Huang, Yu-Ting.

Ernst & Young Taiwan

February 29, 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 financial statements shall prevail.

SIWARD Crystal Technology Co., Ltd. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023		2022	
	Amount	%	Amount	%
ASSETS				
Current assets				
Cash and cash equivalents (Notes IV and VI.1)	\$1,005,700	19	\$1,330,202	24
Current financial assets at amortised cost(Notes IV and VI.2)	17,000	-	17,000	-
Notes receivable, net (Notes IV)	104	-	4,230	-
Accounts receivable, net (Notes IV and VI.3)	599,899	12	552,346	10
Accounts receivable due from related parties, net (Notes IV and VI.3 and VII.3)	18,700	-	45,946	1
Other receivables (Notes IV)	14,074	-	12,360	-
Current tax assets	1,336	-	-	-
Inventories (Notes IV and VI.4)	921,261	18	958,171	17
Prepayments	4,442	-	4,987	-
Other current assets	2,444	-	3,338	-
Total current assets	2,584,960	49	2,928,580	52
Non-current assets				
Non-current financial assets at fair value through other comprehensive income (Notes IV and VI.5)	678,696	13	563,031	10
Investments accounted for using equity method (Notes IV and VI.6)	205,747	4	195,252	3
Property, plant and equipment (Notes IV and VI.7 and VIII)	1,508,063	28	1,641,924	29
Right-of-use assets (Notes IV and VI.16)	107,845	2	135,013	2
Investment property, net (Notes IV and VI.8)	51,852	1	53,560	1
Intangible assets (Notes IV and VI.9)	49,916	1	58,603	1
Deferred tax assets (Notes IV and VI.20)	45,035	1	37,862	1
Other non-current assets (Notes IV and VI.10)	42,571	1	65,639	1
Total non-current assets	2,689,725	51	2,750,884	48
Total assets	\$5,274,685	100	\$5,679,464	100
LIABILITIES AND EQUITY				
Current liabilities				
Current contract liabilities (Notes VI.14)	\$8,292	-	\$18,058	-
Notes payable	6,404	-	9,602	-
Accounts payable	192,446	4	142,111	3
Accounts payable to related parties (Notes VII.4)	-	-	1,426	-
Other payables	193,522	4	246,699	4
Current tax liabilities	87,568	2	119,973	2
Current lease liabilities (Notes IV and VI.16)	28,978	-	29,737	1
Other current liabilities	13,058	-	10,855	-
Current portion of long-term borrowings (Notes VI.11)	217,387	4	180,190	3
Total current liabilities	747,655	14	758,651	13
Non-current liabilities				
Long-term borrowings (Notes IV and VI.11)	163,399	3	531,096	10
Deferred tax liabilities (Notes IV and VI.20)	141,699	3	115,397	2
Non-current lease liabilities (Notes IV and VI.16)	75,746	1	109,784	2
Defined benefit liabilities, net (Notes IV and VI.12)	50,105	1	61,325	1
Other non-current liabilities	6,403	-	113	-
Total non-current liabilities	437,352	8	817,715	15
Total liabilities	1,185,007	22	1,576,366	28
Equity attributable to owners of parent (Note IV.13)				
Share capital				
Ordinary share	1,594,210	30	1,594,210	28
Capital surplus	802,473	15	802,473	14
Retained earnings				
Legal reserve	290,911	6	212,637	4
Unappropriated retained earnings (accumulated deficit)	1,103,367	21	1,268,703	22
Other equity interest				
Exchange differences on translation of foreign financial statements	(124,035)	(2)	(104,848)	(2)
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	416,306	8	323,217	6
Total equity attributable to owners of parent	4,083,232	78	4,096,392	72
Non-controlling interests (Note VI.13)	6,706	-	6,706	-
Total equity	4,089,938	78	4,103,098	72
Total liabilities and equity	\$5,274,945	100	\$5,679,464	100

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

SIWARD Crystal Technology 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	%
REVENUE (Note IV and VI.14)	\$2,355,394	100	\$3,263,584	100
COST OF GOODS SOLD (Note VI.4 and VI.17)	(1,709,033)	(73)	(2,012,912)	(62)
GROSS PROFIT	646,361	27	1,250,672	38
OPERATING EXPENSES (Note VI.17)				
Selling and marketing expenses	(99,798)	(4)	(107,932)	(3)
General and administrative expenses	(138,703)	(6)	(183,101)	(6)
Research and development expenses	(128,924)	(5)	(134,061)	(4)
Expected credit loss reversed on trade receivables (Note VI.15)	212	-	(26,022)	(1)
Total operating expenses	(367,213)	(15)	(451,116)	(14)
PROFIT FROM OPERATIONS	279,148	12	799,556	24
NON-OPERATING INCOME AND EXPENSES (Note IV, VI.18)				
Interest income	17,023	1	6,297	-
Other income	31,081	1	23,446	1
Other gains and losses	6,342	-	141,779	4
Finance costs	(13,375)	-	(13,687)	-
Share of profits of associates and joint ventures (Note VI.6)	23,138	1	25,951	1
Total non-operating income and expenses	64,209	3	183,786	6
PROFIT BEFORE INCOME TAX	343,357	15	983,342	30
INCOME TAX EXPENSE (Note IV and VI.20)	(82,615)	(4)	(215,269)	(7)
NET PROFIT FOR THE YEAR	260,742	11	768,073	23
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss:				
Gains (losses) on remeasurements of defined benefit plans	3,700	-	17,895	1
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	116,025	5	(545,980)	(17)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	53	-	144	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(24,013)	(1)	105,617	3
Item that maybe reclassified subsequently to profit or loss:				
Exchange differences on translation	(23,959)	(1)	(10,142)	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(21)	-	(29)	-
Income tax related to components of other comprehensive income	4,779	-	2,050	-
Other comprehensive income, net (Note VI.19)	76,564	3	(430,445)	(13)
Total comprehensive income	\$337,306	14	\$337,628	10
Profit (loss), attributable to:				
Owners of parent	\$260,988		\$768,276	
Non-controlling interests	(246)		(203)	
	\$260,742		\$768,073	
Comprehensive income, attributable to:				
Owners of parent	\$337,566		\$337,808	
Non-controlling interests	(260)		(180)	
	\$337,306		\$337,628	
Earnings per share				
Basic earnings per share	\$1.64		\$4.82	
Diluted earnings per share	\$1.63		\$4.77	

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

SIWARD Crystal Technology 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)**

	Total equity attributable to owners of parent									
			Retained earnings			Other				
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-controlling interests	Total equity
BALANCE AT JANUARY 1,2022	\$1,594,210	\$802,473	\$164,010	\$ -	\$773,725	\$(96,704)	\$760,001	\$3,997,913	\$6,886	\$4,004,799
Appropriation of 2021 earnings										
Legal reserve appropriated			48,627		(48,627)			-		-
Special reserve appropriated/Reversal of special reserve				0	0			-		-
Net profit (loss) for the year ended December 31,2022					768,276			768,276	(203)	768,073
Other comprehensive income for the year ended December 31,2022					14,460	(8,144)	(436,784)	(430,468)	23	(430,445)
Total comprehensive income					782,736	(8,144)	(436,784)	337,808	(180)	337,628
Disposal of investments in equity instruments designated at fair value through other comprehensive income					0		0	-		
BALANCE AT DECEMBER 31,2022	\$1,594,210	\$802,473	\$212,637	\$ -	\$1,268,703	\$(104,848)	\$323,217	\$4,096,590	\$6,706	\$4,103,296
BALANCE AT JANUARY 1,2023	\$1,594,210	\$802,473	\$212,637	\$0	\$1,268,703	\$(104,848)	\$323,217	\$4,096,590	\$6,706	\$4,103,296
Appropriation of 2022 earnings										
Legal reserve appropriated			78,274		(78,274)			-		-
Cash dividends of ordinary share					(350,726)			(350,726)		(350,726)
Net profit (loss) for the year ended December 31,2023					260,988			260,988	(246)	260,742
Other comprehensive income for the year ended December 31, 2023					3,013	(19,187)	92,752	76,578	(14)	76,564
Total comprehensive income					264,001	(19,187)	92,752	337,566	(260)	337,306
Disposal of investments in equity instruments designated at fair value through other comprehensive income					(337)		337	-		
BALANCE AT DECEMBER 31,2023	\$1,594,210	\$802,473	\$290,911	\$ -	\$1,103,367	\$(124,035)	\$416,306	\$4,083,430	\$6,446	\$4,089,876

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

SIWARD Crystal Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities		
Profit before tax	\$343,357	\$983,342
Adjustments for :		
Depreciation expense	221,392	226,931
Amortization expense	16,289	15,100
Expected credit loss recognized on trade receivables	(212)	26,022
Interest expense	13,375	13,687
Interest income	(17,023)	(6,297)
Share of profit of associates and joint ventures accounted for using equity method	(23,138)	(25,951)
Dividend income	(8,199)	(202)
Loss on disposal of property, plan and equipment	(231)	350
Write-down of inventories	9,312	409
Changes in operating assets and liabilities		
Decrease in notes receivable	4,126	407
Decrease (increase) in accounts receivable	(47,341)	214,364
Decrease in accounts receivable due from related parties	27,246	39,818
Decrease (increase) in other receivable	(1,714)	23,037
Decrease (increase) in inventories	27,598	(149,244)
Decrease in prepayments	545	144
Decrease in other current assets	894	5,951
Increase in contract liabilities	(3,472)	(11,055)
Increase in notes payable	(3,198)	(6,096)
Decrease (increase) in accounts payable	50,335	(142,124)
Decrease in accounts payable to related parties	(1,426)	(4,315)
Decrease (increase) in other payable	(50,512)	34,328
Increase in other current liabilities	2,203	3,741
Decrease in net defined benefit liability	(7,520)	(7,797)
Cash inflow generated from operations	552,686	1,234,550
Interest received	17,023	6,297
Dividends received	20,874	8,844
Interest paid	(13,465)	(13,537)
Income taxes paid	(116,461)	(206,404)
Net cash flows from operating activities	460,657	1,029,750

(Continued)

SIWARD Crystal Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) investing activities :		
Proceeds from disposal of financial assets at fair value through other comprehensive income	353	-
Proceeds from disposal of financial assets at amortised cost	-	86,812
Acquisition of property, plant and equipment	(58,027)	(235,623)
Proceeds from disposal of property, plant and equipment	334	11
Acquisition of intangible assets	(5,282)	(5,261)
Decrease in other non-current assets	1,717	537
Net cash used in investing activities	(60,905)	(153,524)
Cash flows from (used in) financing activities :		
Proceeds from long-term borrowings	-	32,260
Repayments of long-term borrowings	(330,077)	(69,399)
Payments of lease liabilities	(28,756)	(27,658)
Decrease in other non-current liabilities	(4)	(2)
Cash dividends paid	(350,726)	(239,131)
Net cash used in financing activities	(709,563)	(303,930)
Effect of exchange rate changes on cash and cash equivalents	(14,691)	(5,333)
Net increase in cash and cash equivalents	(324,502)	566,963
Cash and cash equivalents at beginning of period	1,330,202	763,239
Cash and cash equivalents at end of period (Note IV.1)	\$1,005,700	\$1,330,202

(Concluded)

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

Independent Auditor's Report Translated from Chinese

To SIWARD Crystal Technology Co., Ltd.:

Opinion

We have audited the accompanying parent company only financial statements of SIWARD Crystal Technology Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and related parent company only statements of comprehensive income, changes in equity, cash flows, and notes to parent company only financial statements (including summary of significant accounting policies) for the years ended December 31, 2023 and 2022. The independent auditor has completed the audits of these statements.

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of the Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 parent company only financial statements of the Company for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of accounts receivable

As of December 31, 2023, the carrying amounts of the accounts receivable and loss allowance of the Company were NT\$570,923 thousand and NT\$16,620 thousand, respectively. The net accounts receivable account for 11% of the total assets, which have significant influence over the Company.

Because the amount of loss allowance for accounts receivable is measured by the expected credit losses during the duration, the accounts receivable should be classified into groups in the measurement process, and appropriate age ranges and the loss rates for each age range, and their forward-looking information should be determined. These activities involve management

judgments or assumptions and the measurement result affects the net accounts receivable; therefore, we have identified the Impairment of accounts receivable as a key audit matter.

The audit procedures that we performed include (but not limited to) the evaluation on the effectiveness of the internal controls established by the management for accounts receivable, including the control of credit limits, the analysis on the trend of changes in accounts receivable and turnover ratio and tests in the subsequent collection of accounts receivable to assess the recoverability, the test in the readiness matrix they employ, including the assessment of whether each group of age ranges is reasonably determined and the spot check on original documents and confirm for their correctness, and recalculation of lifetime expected credit losses.

We also consider the appropriateness of accounts receivable and related risk disclosures in Notes IV 、 V and VI to the parent company only financial statements.

Inventory valuation

As of December 31, 2023, the carrying amounts of inventories of the Company were NT\$902,199 thousand, with net inventories accounting for 18% of the total assets, which have significant influence over the Company and the end application of products is in the rapidly changing industry, resulting in the losses of slow-moving or obsolete inventories. Therefore, the allowance to reduce inventory to market and valuation of slow-moving inventories involve management judgments or assumptions, and thus we have judged inventory valuation as a key audit matter.

The audit procedures that we performed include, but not limited to, understanding and testing the effectiveness of the internal controls established by the management for inventories, including the evaluation procedures for the identification of obsolete or defective inventories; the evaluation on the management's stocktaking plan and on-site observation of inventory counting to verify the quantity and status of inventory; selection of samples to test the correctness and completeness of inventory age; selection of samples to re-calculating the unit cost of inventories; and evaluating net realizable value adopted by management.

We also consider the appropriateness of inventory related disclosures in Notes IV 、 V and VI to the parent company only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuer, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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 financial reporting process of the Company.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 parent company only 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit of the Company. 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 statements 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 parent company only financial statements of the Company for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tu, Chin-Yuan and Huang, Yu-Ting.

Ernst & Young Taiwan

February 29, 2024

Notice to Readers

The accompanying parent company only financial statements are intended only to present the 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 parent company only 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 financial statements shall prevail.

SIWARD Crystal Technology Co., Ltd.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023		2022	
	Amount	%	Amount	%
ASSETS				
Current assets				
Cash and cash equivalents (Notes IV and VI.1)	\$843,156	16	\$1,193,318	22
Accounts receivable, net (Notes IV, VI.2 and VI.14)	524,016	10	510,558	9
Accounts receivable due from related parties, net (Notes IV, VI.3, VI.14 and VII.3)	30,287	1	61,697	1
Inventories (Notes IV and VI.4)	902,199	18	907,180	16
Other current assets (Notes IV)	10,393	-	11,445	-
Total current assets	2,310,051	45	2,684,198	48
Non-current assets				
Non-current financial assets at fair value through other comprehensive income (Notes IV and VI.4)	678,696	13	562,334	10
Investments accounted for using equity method (Notes IV and VI.5)	579,274	11	583,965	10
Property, plant and equipment (Notes IV, VI.7 and VIII)	1,376,123	27	1,494,533	27
Right-of-use assets (Notes IV and VI.15)	30,876	1	38,934	1
Investment property, net (Notes IV and VI.7)	47,322	1	48,694	1
Intangible assets (Notes IV and VI.8)	48,079	1	56,373	1
Deferred tax assets (Notes IV and VI.19)	41,763	1	34,107	1
Other non-current assets (Notes IV and VI.9)	19,141	-	40,510	1
Total non-current assets	2,821,274	55	2,859,450	52
TOTAL ASSETS	\$5,131,325	100	\$5,543,648	100
LIABILITIES AND EQUITY				
Current liabilities				
Current contract liabilities (Notes VI.13)	\$8,160	-	\$17,917	-
Notes payable	2,130	-	2,518	-
Accounts payable	81,596	2	51,419	1
Accounts payable to related parties (Notes VII.4)	66,416	1	89,945	2
Other payables	195,769	4	250,876	5
Current tax liabilities	87,124	2	117,092	2
Current lease liabilities (Notes IV and VI.15)	8,143	-	8,027	-
Other current liabilities	4,437	-	2,576	-
Current portion of long-term borrowings (Notes VI.10)	215,040	4	177,680	3
Total current liabilities	668,815	13	718,050	13
Non-current liabilities				
Long-term borrowings (Notes IV and VI.10)	161,280	3	526,320	9
Deferred tax liabilities (Notes IV and VI.19)	141,699	3	115,397	2
Non-current lease liabilities (Notes IV and VI.15)	23,768	-	31,912	1
Defined benefit liabilities, net (Notes IV and VI.11)	46,182	1	55,522	1
Other non-current liabilities	6,349	-	55	-
Total non-current liabilities	379,278	7	729,206	13
Total liabilities	1,048,093	20	1,447,256	26
Equity attributable to owners of parent (Notes VI.12)				
Share capital				
Ordinary share	1,594,210	31	1,594,210	29
Capital surplus	802,473	16	802,473	14
Retained earnings				
Legal reserve	290,911	6	212,637	4
Unappropriated retained earnings (accumulated deficit)	1,103,367	21	1,268,703	23
Other equity interest				
Exchange differences on translation of foreign financial statements	(124,035)	(2)	(104,848)	(2)
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	416,306	8	323,217	6
Total equity	4,083,232	80	4,096,392	74
TOTAL LIABILITIES AND EQUITY	\$5,131,325	100	\$5,543,648	100

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

SIWARD Crystal Technology Co., Ltd.
PARENT COMPANY ONLY 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	%
REVENUE (Note IV and VI.13)	\$2,191,702	100	\$3,045,329	100
COST OF GOODS SOLD (Note VI.16)	(1,619,244)	(74)	(1,863,827)	(61)
GROSS PROFIT	572,458	26	1,181,502	39
OPERATING EXPENSES (Note VI.16)				
Selling and marketing expenses	(91,372)	(4)	(105,430)	(3)
General and administrative expenses	(112,707)	(5)	(160,291)	(6)
Research and development expenses	(92,485)	(4)	(96,848)	(3)
Expected credit loss reversed on trade receivables (Note VI.14)	-	-	(26,034)	(1)
Total operating expenses	(296,564)	(13)	(388,603)	(13)
PROFIT FROM OPERATIONS	275,894	13	792,899	26
NON-OPERATING INCOME AND EXPENSES (Note IV and VI.17)				
Interest income	16,578	1	6,073	-
Other income	21,643	1	19,883	1
Other gains and losses	6,991	-	141,874	4
Finance costs	(11,043)	-	(10,846)	-
Share of profits of associates and joint ventures (Note VI.5)	32,234	1	30,050	1
Total non-operating income and expenses	66,403	3	187,034	6
PROFIT BEFORE INCOME TAX	342,297	16	979,933	32
INCOME TAX EXPENSE (Note IV and VI.19)	(81,309)	(4)	(211,657)	(7)
NET PROFIT FOR THE YEAR	260,988	12	768,276	25
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss:				
Gains (losses) on remeasurements of defined benefit plans	3,700	-	17,895	1
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	116,025	5	(545,980)	(18)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	53	-	144	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(24,013)	(1)	105,617	3
Item that maybe reclassified subsequently to profit or loss:				
Exchange differences on translation	(23,945)	(1)	(10,165)	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(21)	-	(29)	-
Income tax related to components of other comprehensive income	4,779	-	2,050	-
Other comprehensive income, net (Note VI.18)	76,578	3	(430,468)	(14)
Total comprehensive income	\$337,566	15	\$337,808	11
Earnings per share (Note IV and VI.20)				
Basic earnings per share	\$1.64		\$4.82	
Diluted earnings per share	\$1.63		\$4.77	

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

SIWARD Crystal Technology Co., Ltd.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	Ordinary share	Capital surplus	Retained earnings		Other		Total equity
			Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	
BALANCE AT JANUARY 1,2022	\$1,594,210	\$802,473	\$164,010	\$773,725	\$(96,704)	\$760,001	\$3,997,715
Appropriation of 2021 earnings							
Legal reserve appropriated			48,627	(48,627)			-
Cash dividends of ordinary share				(239,131)			(239,131)
Net profit (loss) for the year ended December 31,2022				768,276			768,276
Other comprehensive income for the year ended December 31,2021				14,460	(8,144)	(436,784)	(430,468)
Total comprehensive income				782,736	(8,144)	(436,784)	337,808
BALANCE AT DECEMBER 31,2022	<u>\$1,594,210</u>	<u>\$802,473</u>	<u>\$212,637</u>	<u>\$1,268,703</u>	<u>\$(104,848)</u>	<u>\$323,217</u>	<u>\$4,096,392</u>
BALANCE AT JANUARY 1,2023	\$1,594,210	\$802,473	\$212,637	\$1,268,703	\$(104,848)	\$323,217	\$4,096,392
Appropriation of 2022 earnings							
Legal reserve appropriated			78,274	(78,274)			-
Cash dividends of ordinary share				(350,726)			(350,726)
Net profit (loss) for the year ended December 31,2023				260,988			260,988
Other comprehensive income for the year ended December 31,2022				3,013	(19,187)	92,752	76,578
Total comprehensive income				264,001	(19,187)	92,752	337,566
Disposal of investments in equity instruments designated at fair value through other comprehensive income				(337)		337	-
BALANCE AT DECEMBER 31,2022	<u>\$1,594,210</u>	<u>\$802,473</u>	<u>\$290,911</u>	<u>\$1,103,367</u>	<u>\$(124,035)</u>	<u>\$416,306</u>	<u>\$4,083,232</u>

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

SIWARD Crystal Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities		
Profit (loss) before tax	\$342,297	\$979,933
Adjustments for :		
Depreciation expense	200,043	206,322
Amortization expense	15,917	14,884
Expected credit loss recognized on trade receivables	-	26,034
Interest expense	11,043	10,846
Interest income	(16,578)	(6,073)
Share of profit of associates and joint ventures accounted	(32,234)	(30,050)
Dividend income	(8,199)	(202)
Loss (gain) on disposal of property, plant and equipment	(174)	361
Loss (gain) on disposal of investments	-	-
Write-down of inventories	9,312	409
Changes in operating assets and liabilities		
Decrease in notes receivable	-	1,117
Decrease (increase) in accounts receivable	(13,458)	145,621
Decrease (increase) in accounts receivable due from related parties	31,410	35,473
Increase in inventories	(4,331)	(114,333)
Decrease (increase) in other current assets	1,052	4,392
Increase (decrease) in contract liabilities	(3,463)	(9,455)
Increase (decrease) in notes payable	(388)	1,775
Decrease in accounts payable	30,177	(65,113)
Increase (decrease) in accounts payable to related parties	(23,529)	28,650
Increase in other payable	(52,442)	40,784
Increase (decrease) in other current liabilities	1,861	2,344
Decrease in net defined benefit liability	(5,610)	(7,468)
Cash inflow generated from operations	482,706	1,266,251
Interest received	16,578	6,073
Dividends received	20,874	8,844
Interest paid	(11,133)	(10,696)
Income taxes paid	(111,865)	(204,794)
Net cash flows from operating activities	397,160	1,065,678

(Continued)

SIWARD Crystal Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) investing activities :		
Proceeds from disposal of financial assets at amortised cost	-	86,812
Acquisition of property, plant and equipment	(55,989)	(225,980)
Proceeds from disposal of property, plant and equipment	277	-
Acquisition of intangible assets	(5,163)	(3,521)
Decrease in other non-current assets	17	13
Net cash used in investing activities	(60,858)	(142,676)
Cash flows from (used in) financing activities :		
Proceeds from long-term borrowings	-	32,260
Repayments of long-term borrowings	(327,680)	(66,400)
Payments of lease liabilities	(8,028)	(7,912)
Cash dividends paid	(350,726)	(239,131)
Net cash used in financing activities	(686,434)	(281,183)
Net increase (decrease) in cash and cash equivalents	(350,132)	641,819
Cash and cash equivalents at beginning of period	1,193,318	551,499
Cash and cash equivalents at end of period	\$843,186	\$1,193,318

(Concluded)

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

SIWARD Crystal Technology Co., Ltd.

Comparison Table of “Articles of Incorporation”

Articles after amendment	Current Articles	Explanation
Article 2: The Company’s businesses are as follows: 1. <u>CC01080 Electronics Components Manufacturing</u> 2. <u>C901990 Other Non-Metallic Mineral Products Manufacturing</u> 3. <u>CB01010 Mechanical Equipment Manufacturing</u> 4. <u>CC01070 Wireless Communication Mechanical Equipment Manufacturing</u> 5. <u>CC01110 Computer and Peripheral Equipment Manufacturing</u> 6. <u>CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing</u> 7. <u>CE01010 General Instrument Manufacturing</u> 8. <u>CE01030 Optical Instruments Manufacturing</u> 9. <u>F115020 Wholesale of Ores</u> 10. <u>F107200 Wholesale of Chemical Feedstock</u> 11. <u>F108031 Wholesale of Medical Devices</u> 12. <u>F113030 Wholesale of Precision Instruments</u> 13. <u>F119010 Wholesale of Electronic Materials</u> 14. <u>F207070 Retail Sale of Veterinary Drugs</u> 15. <u>F208031 Retail Sale of Medical Apparatus</u> 16. <u>F213040 Retail Sale of Precision Instruments</u> 17. <u>IG01010 Biotechnology Services</u> 18. <u>F401010 International Trade</u>	Article 2: The Company’s businesses are as follows: 1. Manufacturing and processing of quartz crystals. 2. Manufacturing and processing of quartz crystal filters and oscillators. 3. Manufacturing and processing of quartz raw materials. 4. CC01080 Electronics components manufacturing 5. Trading of machinery and equipment and parts for the above businesses. 6. Import and export trading business. 7. ZZ999999All business activities that are not prohibited or restricted by law, except those that are subject to special approval.	The amendment is to add the the business item code of the Article of Incorporation

19. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.		
Article 30: The Articles of Incorporation were established on January 19, 1988; the 1st amendment was made on November 12, 1990; ; The 24th amendment was made on June 12, 2020; The 25th amendment was made on June 18, 2024.	Article 30: The Articles of Incorporation were established on January 19, 1988; the 1st amendment was made on November 12, 1990; ; The 24th amendment was made on June 12, 2020.	The amendment is to add the amendment date of the Article of Incorporation for the above amended Articles.