

Silitech Technology Corporation and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Silitech Technology Corporation

Introduction

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

Scope of Review

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

Conclusion

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

The engagement partners on the reviews resulting in this independent auditors' review report are Yen-Chun Chen and Meng-Chieh Chiu.

Deloitte & Touché
Taipei, Taiwan
Republic of China
April 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 review such consolidated financial statements are those generally applied in the Republic of China.

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

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 660,570	19	\$ 628,836	19	\$ 986,845	31
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	4,079	-	3,109	-	11,097	-
Financial assets at amortized cost - current (Note 9)	189,230	5	118,086	4	-	-
Notes receivable, net	-	-	-	-	201	-
Trade receivables, net (Note 10)	452,808	13	479,336	14	406,836	13
Trade receivables from related parties, net (Notes 10 and 28)	416	-	491	-	1,696	-
Other receivables	20,801	1	29,550	1	30,431	1
Other receivables from related parties (Note 28)	1,242	-	3,531	-	6,927	-
Current tax assets	212	-	212	-	49	-
Inventories (Note 11)	281,452	8	273,749	8	248,709	8
Other current assets (Notes 15 and 28)	<u>51,603</u>	<u>2</u>	<u>40,527</u>	<u>1</u>	<u>43,689</u>	<u>1</u>
Total current assets	<u>1,662,413</u>	<u>48</u>	<u>1,577,427</u>	<u>47</u>	<u>1,736,480</u>	<u>54</u>
NON-CURRENT ASSETS						
Financial assets at FVTPL - non-current (Note 7)	37,387	1	36,967	1	17,293	1
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	143,675	4	144,060	4	47,624	1
Financial assets at amortized cost - non-current (Note 9)	1,044,404	30	1,076,632	32	971,322	30
Property, plant and equipment (Note 13)	397,117	12	401,054	12	338,539	10
Right-of-use assets (Note 14)	73,424	2	223	-	17,948	1
Intangible assets	3,195	-	4,243	-	5,966	-
Deferred tax assets	62,119	2	78,594	3	83,034	3
Refundable deposits	7,007	-	6,918	-	6,442	-
Other non-current assets (Note 15)	<u>36,929</u>	<u>1</u>	<u>32,071</u>	<u>1</u>	<u>573</u>	<u>-</u>
Total non-current assets	<u>1,805,257</u>	<u>52</u>	<u>1,780,762</u>	<u>53</u>	<u>1,488,741</u>	<u>46</u>
TOTAL	<u>\$ 3,467,670</u>	<u>100</u>	<u>\$ 3,358,189</u>	<u>100</u>	<u>\$ 3,225,221</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Sort-term borrowings (Note 16)	\$ 42,223	1	\$ 43,328	1	\$ -	-
Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	-	-	-	-	393	-
Trade payables	300,530	9	305,529	9	224,922	7
Trade payables to related parties (Note 28)	6,086	-	13,469	-	16,278	1
Other payables (Note 17)	221,888	6	244,120	7	236,482	7
Other payables to related parties (Note 28)	2,082	-	535	-	2,981	-
Current tax liabilities	17,094	-	14,048	1	6,016	-
Provisions - current (Note 18)	19,126	1	19,237	1	23,383	1
Lease liabilities - current (Note 14)	25,840	1	231	-	20,418	1
Other current liabilities	<u>25,099</u>	<u>1</u>	<u>31,072</u>	<u>1</u>	<u>38,722</u>	<u>1</u>
Total current liabilities	<u>659,968</u>	<u>19</u>	<u>671,569</u>	<u>20</u>	<u>569,595</u>	<u>18</u>
NON-CURRENT LIABILITIES						
Lease liabilities - non-current (Note 14)	47,972	1	-	-	-	-
Net defined benefit liabilities - non- current (Notes 4 and 19)	33,162	1	32,377	1	32,084	1
Guarantee deposits	1,222	-	1,195	-	1,225	-
Deferred tax liabilities	<u>36,068</u>	<u>1</u>	<u>36,067</u>	<u>1</u>	<u>36,113</u>	<u>1</u>
Total non-current liabilities	<u>118,424</u>	<u>3</u>	<u>69,639</u>	<u>2</u>	<u>69,422</u>	<u>2</u>
Total liabilities	<u>778,392</u>	<u>22</u>	<u>741,208</u>	<u>22</u>	<u>639,017</u>	<u>20</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)						
Share capital						
Ordinary shares	<u>680,000</u>	<u>20</u>	<u>680,000</u>	<u>20</u>	<u>680,000</u>	<u>21</u>
Capital surplus	<u>630,074</u>	<u>18</u>	<u>630,074</u>	<u>19</u>	<u>630,074</u>	<u>20</u>
Retained earnings						
Legal reserve	1,120,368	32	1,120,368	33	1,109,766	34
Special reserve	206,863	6	206,863	6	316,814	10
Unappropriated earnings	<u>308,630</u>	<u>9</u>	<u>285,807</u>	<u>9</u>	<u>127,264</u>	<u>4</u>
Total retained earnings	<u>1,635,861</u>	<u>47</u>	<u>1,613,038</u>	<u>48</u>	<u>1,553,844</u>	<u>48</u>
Other equity	(<u>256,657</u>)	(<u>7</u>)	(<u>306,131</u>)	(<u>9</u>)	(<u>277,714</u>)	(<u>9</u>)
Total equity	<u>2,689,278</u>	<u>78</u>	<u>2,616,981</u>	<u>78</u>	<u>2,586,204</u>	<u>80</u>
TOTAL	<u>\$ 3,467,670</u>	<u>100</u>	<u>\$ 3,358,189</u>	<u>100</u>	<u>\$ 3,225,221</u>	<u>100</u>

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

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 28)	\$ 531,975	100	\$ 465,623	100
COST OF GOODS SOLD (Notes 11, 25 and 28)	<u>(460,340)</u>	<u>(87)</u>	<u>(388,639)</u>	<u>(83)</u>
GROSS PROFIT	<u>71,635</u>	<u>13</u>	<u>76,984</u>	<u>17</u>
OPERATING EXPENSES (Notes 25 and 28)				
Selling and marketing expenses	(13,974)	(2)	(16,226)	(4)
General and administrative expenses	(37,698)	(7)	(34,046)	(7)
Research and development expenses	(8,802)	(2)	(9,791)	(2)
Expected credit reversal (loss)	<u>20</u>	<u>-</u>	<u>(31)</u>	<u>-</u>
Total operating expenses	<u>(60,454)</u>	<u>(11)</u>	<u>(60,094)</u>	<u>(13)</u>
PROFIT FROM OPERATIONS	<u>11,181</u>	<u>2</u>	<u>16,890</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Gain (loss) arising from derecognition of financial assets at amortized cost	11	-	-	-
Expected credit reversal (loss)	59	-	(891)	-
Interest income	15,183	3	12,435	2
Other income	3,156	1	3,404	1
Other gains and losses	6,955	1	(2,640)	(1)
Finance costs	<u>(808)</u>	<u>-</u>	<u>(316)</u>	<u>-</u>
Total non-operating income and expenses	<u>24,556</u>	<u>5</u>	<u>11,992</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	35,737	7	28,882	6
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(12,914)</u>	<u>(3)</u>	<u>(9,848)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>22,823</u>	<u>4</u>	<u>19,034</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified subsequently to profit or loss:				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	<u>(385)</u>	<u>-</u>	<u>2,560</u>	<u>1</u>
	<u>(385)</u>	<u>-</u>	<u>2,560</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	62,324	12	(14,761)	(3)
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 23)	<u>(12,465)</u>	<u>(2)</u>	<u>2,952</u>	<u>-</u>
	<u>49,859</u>	<u>10</u>	<u>(11,809)</u>	<u>(3)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>49,474</u>	<u>10</u>	<u>(9,249)</u>	<u>(2)</u>

(Continued)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 72,297</u>	<u>14</u>	<u>\$ 9,785</u>	<u>2</u>
EARNINGS PER SHARE (IN NEW TAIWAN DOLLARS; Note 24)				
Basic	<u>\$ 0.34</u>		<u>\$ 0.28</u>	
Diluted	<u>\$ 0.34</u>		<u>\$ 0.28</u>	

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

(Concluded)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	Share Capital		Capital Surplus	Retained Earnings			Other Equity		Total Equity
	Ordinary Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Asset at FVTOCI	
BALANCE AT JANUARY 1, 2023	68,000	\$ 680,000	\$ 630,074	\$ 1,109,766	\$ 316,814	\$ 108,230	\$ (125,664)	\$ (142,801)	\$ 2,576,419
Net profit for the three months ended March 31, 2023	-	-	-	-	-	19,034	-	-	19,034
Other comprehensive income (loss) for the three months ended March 31, 2023 net of income tax	-	-	-	-	-	-	(11,809)	2,560	(9,249)
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	19,034	(11,809)	2,560	9,785
BALANCE AT MARCH 31, 2023	68,000	\$ 680,000	\$ 630,074	\$ 1,109,766	\$ 316,814	\$ 127,264	\$ (137,473)	\$ (140,241)	\$ 2,586,204
BALANCE AT JANUARY 1, 2024	68,000	\$ 680,000	\$ 630,074	\$ 1,120,368	\$ 206,863	\$ 285,807	\$ (157,326)	\$ (148,805)	\$ 2,616,981
Net profit for the three months ended March 31, 2024	-	-	-	-	-	22,823	-	-	22,823
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	49,859	(385)	49,474
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	22,823	49,859	(385)	72,297
BALANCE AT MARCH 31, 2024	68,000	\$ 680,000	\$ 630,074	\$ 1,120,368	\$ 206,863	\$ 308,630	\$ (107,467)	\$ (149,190)	\$ 2,689,278

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

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 35,737	\$ 28,882
Adjustments for:		
Depreciation expenses	19,403	19,291
Amortization expenses	1,055	1,098
Expected credit (reversal) loss on trade receivables	(79)	922
Net (gain) loss on financial assets at FVTPL	(9)	915
Finance costs	808	316
Gain arising from derecognition of financial assets at amortized cost	(11)	-
Interest income	(15,183)	(12,435)
Net gain on disposal of property, plant and equipment	(90)	-
Write-downs of inventories	1,768	157
Changes in operating assets and liabilities		
Financial assets at FVTPL	221	2,294
Notes receivable	-	(201)
Trade receivables	26,548	11,184
Trade receivables from related parties	75	(347)
Other receivables	6,329	3,639
Other receivables from related parties	2,289	4,427
Inventories	(9,471)	3,091
Other current assets	(11,076)	(1,079)
Trade payables	(4,999)	14,393
Trade payables to related parties	(7,383)	(8,578)
Other payables	(16,981)	(32,364)
Other payables to related parties	1,547	434
Provisions	(111)	(167)
Other current liabilities	(5,973)	(2,837)
Net defined benefit liabilities-non current	785	236
Cash generated from operations	25,199	33,271
Interest received	16,899	6,108
Interest paid	(808)	(316)
Income tax paid	(6,105)	(8,384)
Net cash generated from operating activities	35,185	30,679
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(10,404)	(646,755)
Proceeds from financial assets at amortized cost	15,404	-
Purchase of financial assets at FVTPL	(9,003)	(203,341)
Proceeds from financial assets at FVTPL	8,055	192,486
Payments for property, plant and equipment	(5,825)	(2,318)
Proceeds from disposal of property, plant and equipment	90	-

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SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
(Increase) decrease in refundable deposits	\$ (89)	\$ 7
Increase in other non-current assets	<u>(7,151)</u>	<u>(3,718)</u>
Net cash used in investing activities	<u>(8,923)</u>	<u>(663,639)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from guarantee deposits received	27	5
Repayment of the principal portion of lease liabilities	<u>(6,205)</u>	<u>(6,661)</u>
Net cash used in financing activities	<u>(6,178)</u>	<u>(6,656)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>11,650</u>	<u>(9,162)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	31,734	(648,778)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>628,836</u>	<u>1,635,623</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 660,570</u>	<u>\$ 986,845</u>

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

(Concluded)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Silitech Technology Corporation (the “Company”) was established in October 2001 and listed on the Taiwan Stock Exchange in March 2004, and is mainly engaged in the manufacture and sale of modules and rubber (plastic) products.

The consolidated financial statements of the Company and its subsidiaries, hereinafter collectively referred to as the Group, are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on April 23, 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 “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies:

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

IFRS 18 “Presentation and Disclosures in Financial Statements”

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of the subsidiaries acquired or disposed of during the period are included in the consolidated statements 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 used by the Company. 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 Group's interests 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 12 and Table 3 for detailed information on the subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the summary of other significant accounting policies section of the consolidated financial statements for the year ended December 31, 2023.

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

Current assets include:

- a) Assets held primarily for the purpose of trading;
- b) Assets expected to be realized within 12 months after the reporting period; and
- c) 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:

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

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

2) Retirement benefits

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

3) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The consolidated financial statements adopt the critical accounting judgments and key sources of estimation uncertainty are the same as those in the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 177	\$ 238	\$ 239
Checking accounts and demand deposits	203,976	204,168	189,621
Cash equivalents			
Time deposits	<u>456,417</u>	<u>424,430</u>	<u>796,985</u>
	<u>\$ 660,570</u>	<u>\$ 628,836</u>	<u>\$ 986,845</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Time deposits	1.55%-5.05%	1.55%-5.05%	0.98%-4.50%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets at FVTPL - current</u>			
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Forward exchange contracts	\$ -	\$ 241	\$ -
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	<u>4,079</u>	<u>2,868</u>	<u>11,097</u>
	<u>\$ 4,079</u>	<u>\$ 3,109</u>	<u>\$ 11,097</u>

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	\$ 12,676	\$ 12,162	\$ 17,293
Limited Partnership	<u>24,711</u>	<u>24,805</u>	<u>-</u>
	<u>\$ 37,387</u>	<u>\$ 36,967</u>	<u>\$ 17,293</u>

Financial liabilities at FVTPL - current

Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Forward exchange contracts	\$ -	\$ -	\$ 393

At the end of the reporting period, outstanding forward exchange contracts not under hedge accounting are as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Forward exchange contracts	USD/MYR	2024.01.08	USD298/MYR1,398
<u>March 31, 2023</u>			
Forward exchange contracts	USD/MYR	2023.04.07-2023.06.20	USD2,474/MYR10,792
	EUR/MYR	2023.04.27-2023.05.26	EUR90/MYR421

The Group entered into foreign exchange contracts to manage exposures due to fluctuations of foreign exchange rate of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (“FVTOCI”)

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Non-current</u>			
Domestic investments			
Listed preferred shares	\$ 129,772	\$ 130,100	\$ 37,824
Unlisted ordinary shares	<u>13,903</u>	<u>13,960</u>	<u>9,800</u>
	<u>\$ 143,675</u>	<u>\$ 144,060</u>	<u>\$ 47,624</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 100,000	\$ 118,086	\$ -
Foreign corporate bond (b)	89,231	-	-
Less: Allowance for impairment loss	<u>(1)</u>	<u>-</u>	<u>-</u>
	<u>89,230</u>	<u>-</u>	<u>-</u>
	<u>\$ 189,230</u>	<u>\$ 118,086</u>	<u>\$ -</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 44,283	\$ 43,254	\$ -
Foreign corporate bond (b)	1,000,837	1,034,123	972,213
Less: Allowance for impairment loss	<u>(716)</u>	<u>(745)</u>	<u>(891)</u>
	<u>1,000,121</u>	<u>1,033,378</u>	<u>971,322</u>
	<u>\$1,044,404</u>	<u>\$1,076,632</u>	<u>\$ 971,322</u>

- As of March 31, 2024 and December 31, 2023, the interest rate intervals of time deposits with original maturity dates of more than 3 months were 1.4% to 3.1% and 1.04% to 4.60%, respectively.
- The Group purchased 2~10 year corporate bonds, with the maturity period from 2025 to 2032, the coupon rate was 1.25% to 6.02%, and the effective interest rate was 1.08%~5.56%.

The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other public information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

In determining the expected credit losses for debt instrument investments, the Group considers the historical probability of default and loss given default of each credit rating supplied by external rating agencies, the current financial condition of the debtors and the future prospects of the industries.

10. TRADE RECEIVABLES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 453,225	\$ 479,848	\$ 408,570
Less: Allowance for impairment loss	<u>(1)</u>	<u>(21)</u>	<u>(38)</u>
	<u>\$ 453,224</u>	<u>\$ 479,827</u>	<u>\$ 408,532</u>

The average credit period of sales of goods was 60-90 days and no interest was charged on trade receivables. In order to minimize credit risk, the management of the Company has regularly evaluated credit approvals and performed other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group estimates expected credit losses according to the prescribed approach, which permits the recognition of lifetime expected losses for all trade receivables. The expected credit losses on trade receivables are estimated using an allowance matrix, which takes into consideration the historical credit loss

experience with the respective debtor, the current financial position of the debtor, economic condition of the industry in which the customer operates and industry outlooks. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or when the trade receivables are over 240 days past due, whichever occurs earlier. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

March 31, 2024

	Not Past Due	Up to 60 Days	61 to 210 Days	Total
Expected credit loss rate	-	0.14%	-	
Gross carrying amount	\$ 452,509	\$ 716	\$ -	\$ 453,225
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>
Amortized cost	<u>\$ 452,509</u>	<u>\$ 715</u>	<u>\$ -</u>	<u>\$ 453,224</u>

December 31, 2023

	Not Past Due	Up to 60 Days	61 to 210 Days	Over 210 Days	Total
Expected credit loss rate	-	0.67%	-	-	
Gross carrying amount	\$ 476,695	\$ 3,153	\$ -	\$ -	\$ 479,848
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(21)</u>	<u>-</u>	<u>-</u>	<u>(21)</u>
Amortized cost	<u>\$ 476,695</u>	<u>\$ 3,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 479,827</u>

March 31, 2023

	Not Past Due	Up to 60 Days	61 to 210 Days	Total
Expected credit loss rate	-	0.20%	68.89%	
Gross carrying amount	\$ 404,962	\$ 3,563	\$ 45	\$ 408,570
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(7)</u>	<u>(31)</u>	<u>(38)</u>
Amortized cost	<u>\$ 404,962</u>	<u>\$ 3,556</u>	<u>\$ 14</u>	<u>\$ 408,532</u>

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

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ 21	\$ 12
Expected credit loss (reversal)	(20)	31
Difference on foreign exchange translation	<u>-</u>	<u>(5)</u>
Balance at March 31	<u>\$ 1</u>	<u>\$ 38</u>

11. INVENTORIES, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	\$ 132,830	\$ 131,367	\$ 119,096
Finished goods	63,779	72,755	72,292
Work in progress	81,181	59,009	53,065
Supplies	3,649	3,728	4,108
Merchandise	13	27	148
Inventory in transit	-	6,863	-
	<u>\$ 281,452</u>	<u>\$ 273,749</u>	<u>\$ 248,709</u>

The cost of inventories recognized as cost of goods sold included the inventory write-downs.

	For the Three Months Ended March 31	
	2024	2023
Inventory write-downs	\$ 1,768	\$ 157

12. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Main Business	Percentage of Ownership (%)			Remark
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Silitech (BVI) Holding Ltd.	Investment activities	100	100	100	
The Company	Silitech Technology Corp. Sdn. Bhd.	Manufacture of plastic and computer peripheral	100	100	100	a
The Company	Iwatsu (Malaysia) Sdn. Bhd.	Manufacture of telecommunications and communications equipment	100	100	-	b & c
Silitech (BVI) Holding Ltd	Silitech (Bermuda) Holding Ltd.	Investment activities	100	100	100	
Silitech (Bermuda) Holding Ltd.	Silitech Technology Corporation Limited	Manufacture of plastic and computer peripheral products	100	100	100	
Silitech Technology Corporation Limited	Xurong Electronic (Shenzhen) Co., Ltd.	Manufacture and sale of touch panels and plastic and rubber assembly	100	100	100	

Remark:

- The Group adjusted the organization structure on January 2023, and the parent company acquired 100% equity of Silitech Technology Corporation Sdn. Bhd. from Silitech (Bermuda) Holding Ltd. The aforementioned transaction was an organizational restructuring under common control, and the book-value method is applied in the transaction.
- The parent company acquired 100% equity of Iwatsu (Malaysia) Sdn. Bhd. on September 2023, see Note 26.
- Iwatsu (Malaysia) Sdn. Bhd changed the company name to Silitech Electronics Sdn. Bhd. on April 08, 2024.

Subsidiaries Excluded from the Consolidated Financial Statements: None.

13. PROPERTY, PLANT AND EQUIPMENT, NET

	Freehold Land	Buildings	Machinery Equipment	Testing Equipment	Transportation Equipment	Leasehold Improvements	Office Equipment	Other Equipment	Total
Cost									
Balance at January 1, 2024	\$ 222,141	\$ 440,646	\$ 768,369	\$ 93,489	\$ 13,495	\$ 138,159	\$ 121,036	\$ 23,489	\$ 1,820,824
Additions	-	-	179	933	1,673	-	395	-	3,180
Disposals	-	-	(10,681)	-	-	(38,649)	(291)	(302)	(49,923)
Effects of foreign currency exchange differences	3,004	6,949	12,405	934	280	2,748	1,389	435	28,144
Balance at March 31, 2024	<u>\$ 225,145</u>	<u>\$ 447,595</u>	<u>\$ 770,272</u>	<u>\$ 95,356</u>	<u>\$ 15,448</u>	<u>\$ 102,258</u>	<u>\$ 122,529</u>	<u>\$ 23,622</u>	<u>\$ 1,802,225</u>

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Testing Equipment	Transportation Equipment	Leasehold Improvements	Office Equipment	Other Equipment	Total
<u>Accumulated depreciation</u>									
Balance at January 1, 2024	\$ -	\$ 340,491	\$ 606,319	\$ 78,288	\$ 10,253	\$ 92,846	\$ 110,697	\$ 20,811	\$ 1,259,705
Depreciation expenses	-	3,277	7,235	462	276	114	1,267	193	12,824
Disposals	-	-	(10,681)	-	-	(35,992)	(291)	(302)	(47,266)
Transfers from accumulated impairment	-	-	1,758	61	-	993	-	-	2,812
Effects of foreign currency exchange differences	-	4,765	9,981	685	163	1,722	1,249	350	18,915
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 348,533</u>	<u>\$ 614,612</u>	<u>\$ 79,496</u>	<u>\$ 10,692</u>	<u>\$ 59,683</u>	<u>\$ 112,922</u>	<u>\$ 21,052</u>	<u>\$ 1,246,990</u>
<u>Accumulated impairment</u>									
Balance at January 1, 2024	\$ -	\$ 13,364	\$ 88,808	\$ 13,138	\$ -	\$ 44,074	\$ 670	\$ 11	\$ 160,065
Disposals	-	-	-	-	-	(2,657)	-	-	(2,657)
Transfer to accumulated depreciation	-	-	(1,758)	(61)	-	(993)	-	-	(2,812)
Effects of foreign currency exchange differences	-	562	1,747	204	-	997	12	-	3,522
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 13,926</u>	<u>\$ 88,797</u>	<u>\$ 13,281</u>	<u>\$ -</u>	<u>\$ 41,421</u>	<u>\$ 682</u>	<u>\$ 11</u>	<u>\$ 158,118</u>
Net Balance at March 31, 2024	<u>\$ 225,145</u>	<u>\$ 85,136</u>	<u>\$ 66,863</u>	<u>\$ 2,579</u>	<u>\$ 4,756</u>	<u>\$ 1,154</u>	<u>\$ 8,925</u>	<u>\$ 2,559</u>	<u>\$ 397,117</u>
<u>Cost</u>									
Balance at January 1, 2023	\$ 198,838	\$ 313,146	\$ 686,073	\$ 94,371	\$ 9,463	\$ 139,634	\$ 105,376	\$ 14,451	\$ 1,561,352
Additions	-	-	8,423	295	-	277	790	-	9,785
Disposals	-	-	(74)	-	-	-	(90)	-	(164)
Effects of foreign currency exchange differences	(1,768)	(1,392)	(1,796)	(113)	(26)	546	(196)	(13)	(4,758)
Balance at March 31, 2023	<u>\$ 197,070</u>	<u>\$ 311,754</u>	<u>\$ 692,626</u>	<u>\$ 94,553</u>	<u>\$ 9,437</u>	<u>\$ 140,457</u>	<u>\$ 105,880</u>	<u>\$ 14,438</u>	<u>\$ 1,566,215</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2023	\$ -	\$ 247,798	\$ 518,859	\$ 76,098	\$ 8,920	\$ 90,375	\$ 96,276	\$ 14,288	\$ 1,052,614
Depreciation expenses	-	2,429	6,384	971	29	23	1,388	69	13,293
Disposals	-	-	(74)	-	-	-	(90)	-	(164)
Transfers from accumulated impairment	-	-	1,875	95	-	1,075	419	27	3,491
Effects of foreign currency exchange differences	-	(1,005)	(1,822)	(153)	(27)	351	(193)	(13)	(2,862)
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 249,222</u>	<u>\$ 527,222</u>	<u>\$ 77,011</u>	<u>\$ 8,922</u>	<u>\$ 91,824</u>	<u>\$ 97,800</u>	<u>\$ 14,371</u>	<u>\$ 1,066,372</u>
<u>Accumulated impairment</u>									
Balance at January 1, 2023	\$ -	\$ 64	\$ 99,122	\$ 13,599	\$ -	\$ 49,259	\$ 2,100	\$ 74	\$ 164,218
Transfer to accumulated depreciation	-	-	(1,875)	(95)	-	(1,075)	(419)	(27)	(3,491)
Effects of foreign currency exchange differences	-	-	337	35	-	196	9	-	577
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 64</u>	<u>\$ 97,584</u>	<u>\$ 13,539</u>	<u>\$ -</u>	<u>\$ 48,380</u>	<u>\$ 1,690</u>	<u>\$ 47</u>	<u>\$ 161,304</u>
Net Balance at March 31, 2023	<u>\$ 197,070</u>	<u>\$ 62,468</u>	<u>\$ 67,820</u>	<u>\$ 4,003</u>	<u>\$ 515</u>	<u>\$ 253</u>	<u>\$ 6,390</u>	<u>\$ 20</u>	<u>\$ 338,539</u>

(Concluded)

As a result of the life cycle of some products, the estimated future cash flows expected to arise from the related equipment decreased due to equipment idling caused by insufficient capacity. The Group carried out a review of the recoverable amount of the related equipment and determined that the carrying amount had exceeded the recoverable amount. As of March 31, 2024, December 31, 2023 and March 31, 2023, the impairment losses recognized were \$158,118 thousand, \$160,065 thousand and \$161,304 thousand, respectively. For the three months ended March 31, 2024, the impairment loss decreased due to the disposal of equipment amounting to \$2,657 thousand.

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

Buildings	
Plant structures	24-45 years
Electricity and building accessories	5-10 years
Machinery equipment	5-10 years
Testing equipment	3-10 years
Transportation equipment	5 years
Leasehold Improvements	3 years
Office equipment	3 years
Other equipment	2 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amounts</u>			
Buildings	\$ 73,207	\$ -	\$ 17,948
Machinery equipment	<u>217</u>	<u>223</u>	<u>-</u>
	<u>\$ 73,424</u>	<u>\$ 223</u>	<u>\$ 17,948</u>
		For the Three Months Ended March 31	
		2024	2023
<u>Depreciation charge for right-of-use assets</u>			
Buildings		\$ 6,564	\$ 5,998
Machinery equipment		<u>15</u>	<u>-</u>
		<u>\$ 6,579</u>	<u>\$ 5,998</u>
Additions for right-of-use assets		<u>\$ 78,767</u>	<u>\$ -</u>

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amounts</u>			
Current	<u>\$ 25,840</u>	<u>\$ 231</u>	<u>\$ 20,418</u>
Non-current	<u>\$ 47,972</u>	<u>\$ -</u>	<u>\$ -</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Buildings	4.20%	-	4.75%-5.94%
Machinery equipment	5.00%	5.00%	-

c. Material lease activities and terms

The Group leases certain buildings for product manufacturing and for dormitories with lease terms of 3 years and with no renewal option. 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.

d. Other lease information

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases and low-value asset leases	<u>\$ 688</u>	<u>\$ 587</u>
Total cash outflow for leases	<u>\$ 7,701</u>	<u>\$ 7,549</u>

The Group's lease of certain office equipment qualify as short-term leases and 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. OTHER ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Prepayments for tax	\$ 20,888	\$ 20,042	\$ 20,128
Payment in advance	6,915	2,536	2,544
Input tax	2,414	1,546	2,319
Others	<u>21,386</u>	<u>16,403</u>	<u>18,698</u>
	<u>\$ 51,603</u>	<u>\$ 40,527</u>	<u>\$ 43,689</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 36,229	\$ 31,399	\$ 573
Others	<u>700</u>	<u>672</u>	<u>-</u>
	<u>\$ 36,929</u>	<u>\$ 32,071</u>	<u>\$ 573</u>

16. BORROWINGS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Short-term borrowings</u>			
Unsecured borrowings	<u>\$ 42,223</u>	<u>\$ 43,328</u>	<u>\$ -</u>

17. OTHER PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Payroll and Bonus	\$ 86,483	\$ 98,236	\$ 73,537
Tooling	14,927	19,316	20,265
Employees' leave	19,681	14,603	18,637
Services	8,580	9,965	9,045
Utilities/postal fees and telecommunications	8,975	7,121	7,577
Insurance	5,137	6,264	3,519
Equipment	1,043	5,232	591
Others	<u>77,062</u>	<u>83,383</u>	<u>103,311</u>
	<u>\$ 221,888</u>	<u>\$ 244,120</u>	<u>\$ 236,482</u>

18. PROVISIONS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Returns, allowances and warranties	<u>\$ 19,126</u>	<u>\$ 19,237</u>	<u>\$ 23,383</u>

The provision of customer returns, allowances and warranties was based on historical experience, management's judgments and other known reasons estimated product returns, allowances and warranties may occur in the year. The provision was recognized as cost of goods sold and a reduction of operating income in the year when the related goods were sold.

19. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined retirement benefit plans were \$640 thousand and \$658 thousand for the three months ended March 31, 2024 and 2023, respectively, and were calculated using the respective year's actuarially determined pension cost discount rate as of December 31, 2023 and 2022.

20. EQUITY

a. Share capital

Ordinary shares

	March 31, 2024	December 31, 2023	March 31, 2023
Number of shares authorized (in thousands)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Amount of shares authorized	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>68,000</u>	<u>68,000</u>	<u>68,000</u>
Amount of shares issued	<u>\$ 680,000</u>	<u>\$ 680,000</u>	<u>\$ 680,000</u>

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Additional paid-in capital in excess of par-common stock	<u>\$ 630,074</u>	<u>\$ 630,074</u>	<u>\$ 630,074</u>

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 paid-in capital).

c. Retained earnings and dividend policy

According to the Company's dividend policy, if there is a net profit after tax upon the final settlement of accounts of each fiscal year, the Company shall first offset any previous accumulated losses (including adjustment of unappropriated earnings, if any) and set aside a legal reserve at 10% of the net profit, unless the accumulated legal reserve is equal to the total paid-in capital of the Company; then, it shall set aside or reverse a special reserve in accordance with the relevant laws or regulations or as requested by the authorities in charge. The remaining net profit, plus the beginning unappropriated earnings (including adjustment of unappropriated earnings, if any), shall be distributed as dividends to shareholders according to the distribution plan proposed by the board of directors and submitted to the shareholders in the shareholders' meeting for approval. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 25 (b) Employee benefits expenses.

According to the Company's dividend policy of the Company's Articles, the Company cooperates with present and future development plans in mind and simultaneously takes into consideration the investment environment, international or domestic competition, and shareholders' interests. When there is no cumulative loss, the Company shall distribute dividends to shareholders at a percentage of no less than 30% of the net profit after tax. Dividends could be distributed either through cash or shares, and cash dividends distributed shall not be less than 50% of the total dividends distributed for the year.

In case there are no earnings for distribution in a certain year, or the earnings of a certain year are significantly less than the earnings actually distributed by the Company in the previous year, or considering the financial, business or operational factors of the Company, the Company may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge.

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

With respect to the book net amount of other deductions from equity for the period in which it arises, the Company shall allocate an equivalent amount of special reserve shall be allocated from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period. If there remains any insufficiency, it shall be allocated from the undistributed earnings of the previous period.

With respect to the cumulative net amount of other deductions from equity in a preceding period, the Company shall allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period.

The appropriation of earnings for 2023 resolved in the board of directors on March 27, 2024 and the appropriation of earnings 2022 resolved in the shareholders' meetings on June 14, 2023 was as follows:

	Appropriation of Earnings	
	2023	2022
Legal reserve	\$ -	\$ 10,602
Special reserve	\$ 99,268	\$ (109,951)
Cash dividends	\$ 81,600	\$ 40,800
Cash dividends per share (NT\$)	\$ 1.20	\$ 0.60

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held on June 4, 2024.

21. REVENUE

According to IFRS 15, the type of customer contract revenue is identified as "product sales revenue". The Company's core technology is to integrate rubber, plastic, optical and other components, which are widely used in industries and products such as mechanical integration components and automotive components.

	For the Three Months Ended March 31	
	2024	2023
Customer contract revenue		
Product operating revenue	\$ 531,975	\$ 465,623

22. NON-OPERATING INCOME AND EXPENSES

a. Interest income

	For the Three Months Ended March 31	
	2024	2023
Bank deposits	\$ 2,679	\$ 8,701
Financial assets at amortized cost	<u>12,504</u>	<u>3,734</u>
	<u>\$ 15,183</u>	<u>\$ 12,435</u>

b. Other income

	For the Three Months Ended March 31	
	2024	2023
Rental income	\$ 687	\$ 1,743
Others	<u>2,469</u>	<u>1,661</u>
	<u>\$ 3,156</u>	<u>\$ 3,404</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2024	2023
Gain on disposal of property, plant and equipment	\$ 90	\$ -
Foreign currency exchange gain (loss)	6,856	(590)
Net gain (loss) on financial assets as at FVTPL	9	(915)
Others	<u>-</u>	<u>(1,135)</u>
	<u>\$ 6,955</u>	<u>\$ (2,640)</u>

d. Finance costs

	For the Three Months Ended March 31	
	2024	2023
Interest on lease liabilities	\$ 808	\$ 301
Interest on borrowings	<u>-</u>	<u>15</u>
	<u>\$ 808</u>	<u>\$ 316</u>

e. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2024	2023
Foreign exchange gain	\$ 7,907	\$ 9,731
Foreign exchange loss	<u>(1,051)</u>	<u>(10,321)</u>
Net foreign exchange gain (loss)	<u>\$ 6,856</u>	<u>\$ (590)</u>

23. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense are as follows:

	For the Three Months Ended March 31	
	2024	2023
Current tax		
In respect of the current period	\$ 8,727	\$ 1,366
Deferred tax		
In respect of the current period	<u>4,187</u>	<u>8,482</u>
Income tax expense recognized in profit or loss	<u>\$ 12,914</u>	<u>\$ 9,848</u>

b. Income tax recognized in other comprehensive loss

	For the Three Months Ended March 31	
	2024	2023
<u>Deferred tax</u>		
In respect of the current period:		
Translation of foreign operations	<u>\$(12,465)</u>	<u>\$ 2,952</u>

c. Income tax assessments

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

24. EARNINGS PER SHARE

Units: NT\$ Per Share

	For the Three Months Ended March 31	
	2024	2023
Basic earnings per share	<u>\$ 0.34</u>	<u>\$ 0.28</u>
Diluted earnings per share	<u>\$ 0.34</u>	<u>\$ 0.28</u>

The net profit and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

	For the Three Months Ended March 31	
	2024	2023
Net profit for the period	<u>\$ 22,823</u>	<u>\$ 19,034</u>

(Continued)

	For the Three Months Ended March 31	
	2024	2023
<u>Number of shares</u>		
Weighted average number of ordinary shares used in the computation of basic earnings per share	68,000	68,000
Effect of potentially dilutive ordinary shares: Employees' compensation	<u>76</u>	<u>78</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>68,076</u>	<u>68,078</u>

If the Company settles the bonuses or remuneration paid to employees in cash or shares, the Company presumed that the entire amount of the bonuses or remuneration would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. The 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.

25. ADDITIONAL INFORMATION ON EXPENSES

a. Depreciation and amortization

	For the Three Months Ended March 31	
	2024	2023
An analysis of depreciation by function		
Recognized in operating costs	\$ 17,592	\$ 17,501
Recognized in operating expenses	<u>1,811</u>	<u>1,790</u>
	<u>\$ 19,403</u>	<u>\$ 19,291</u>
An analysis of amortization by function		
Recognized in operating costs	\$ 93	\$ 32
Recognized in operating expenses	<u>962</u>	<u>1,066</u>
	<u>\$ 1,055</u>	<u>\$ 1,098</u>

b. Employee benefits expense

	For the Three Months Ended March 31	
	2024	2023
Post-employment benefits (Note 19)		
Defined contribution plans	\$ 8,439	\$ 5,885
Defined benefit plans	<u>640</u>	<u>658</u>
	9,079	6,543
Other employee benefits	<u>177,899</u>	<u>147,044</u>
	<u>\$ 186,978</u>	<u>\$ 153,587</u>
Employee benefits expense summarized by function		
Recognized in operating costs	\$ 148,734	\$ 117,926
Recognized in operating expenses	<u>38,244</u>	<u>35,661</u>
	<u>\$ 186,978</u>	<u>\$ 153,587</u>

In compliance with the Articles, the Company accrues the distribution of employees' compensation and remuneration of directors at rates of 2% to 10% and no higher than 3%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The compensation of employees and the remuneration of directors for the three months ended March 31, 2024 and 2023 were as follows:

Estimation ratio

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
Employees' compensation	3%	3%
Remuneration of directors	2%	2%

Amount

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
Employees' compensation	<u>\$ 792</u>	<u>\$ 656</u>
Remuneration of directors	<u>\$ 528</u>	<u>\$ 437</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate, and will be adjusted in next year.

The appropriations of compensation of employees and remuneration of directors for 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
	Cash	Cash
Employees' compensation	<u>\$ 4,117</u>	<u>\$ 3,390</u>
Remuneration of directors	<u>\$ 2,744</u>	<u>\$ 2,260</u>

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

Information on 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.

26. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Iwatsu (Malaysia) Sdn. Bhd.	Manufacture of telecommunications and communications equipment	September 1, 2023	100	<u>\$ 96,010</u>

b. Assets acquired and liabilities assumed at the date of acquisition subsidiaries acquired

	Iwatsu (Malaysia) Sdn. Bhd.
Current assets	
Cash and cash equivalents	\$ 39,254
Trade receivables	38,897
Inventories	21,912
Other current assets	2,150
Non-current assets	
Property, plant and equipment	76,181
Others	1,879
Current liabilities	
Trade and other payables	(80,370)
Others	(504)
Non-current liabilities	
Others	<u>(1,362)</u>
	<u>\$ 98,037</u>

The initial accounting for the acquisition of Iwatsu (Malaysia) Sdn. Bhd. was only provisionally determined at the end of the period. The tax bases of Iwatsu (Malaysia) Sdn. Bhd.'s assets were required to be reset based on the market values of the assets. At the date of issuance of these consolidated financial statements, the necessary market valuations and other calculations have not been finalized, and they have, therefore, only been provisionally determined based on management's best estimate.

On acquisition date, the fair value of the receivables is equal to the book value from business combinations transaction of Iwatsu (Malaysia) Sdn. Bhd. The receivables are expected to be recoverable.

c. Net cash outflow on the acquisition of subsidiaries

	Iwatsu (Malaysia) Sdn. Bhd.
Consideration paid in cash	\$ 96,010
Less: Cash and cash equivalents acquired	<u>(39,254)</u>
	<u>\$ 56,756</u>

d. Gain recognized in bargain purchase transaction

	Iwatsu (Malaysia) Sdn. Bhd.
Consideration transferred	\$ 96,010
Less: Fair value of identifiable net assets acquired	<u>(98,037)</u>
Gain recognized in bargain purchase transaction	<u>\$ (2,027)</u>

27. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 4,079	\$ 12,676	\$ -	\$ 16,755
Limited partnership	<u>-</u>	<u>-</u>	<u>24,711</u>	<u>24,711</u>
	<u>\$ 4,079</u>	<u>\$ 12,676</u>	<u>\$ 24,711</u>	<u>\$ 41,466</u>
Financial assets at FVTOCI				
Investments in equity instruments				
- domestic listed preferred shares	\$129,772	\$ -	\$ -	\$129,772
- domestic unlisted ordinary shares	<u>-</u>	<u>-</u>	<u>13,903</u>	<u>13,903</u>
	<u>\$129,772</u>	<u>\$ -</u>	<u>\$ 13,903</u>	<u>\$143,675</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 241	\$ -	\$ 241
Mutual funds	2,868	12,162	-	15,030
Limited partnership	<u>-</u>	<u>-</u>	<u>24,805</u>	<u>24,805</u>
	<u>\$ 2,868</u>	<u>\$ 12,403</u>	<u>\$ 24,805</u>	<u>\$ 40,076</u>
Financial assets at FVTOCI				
Investments in equity instruments				
- domestic listed preferred shares	\$130,100	\$ -	\$ -	\$130,100
- domestic unlisted ordinary shares	<u>-</u>	<u>-</u>	<u>13,960</u>	<u>13,960</u>
	<u>\$130,100</u>	<u>\$ -</u>	<u>\$ 13,960</u>	<u>\$144,060</u>

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	<u>\$ 11,097</u>	<u>\$ 17,293</u>	<u>\$ -</u>	<u>\$ 28,390</u>

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
- domestic listed preferred shares	\$ 37,824	\$ -	\$ -	\$ 37,824
- domestic unlisted ordinary shares	<u>-</u>	<u>-</u>	<u>9,800</u>	<u>9,800</u>
	<u>\$ 37,824</u>	<u>\$ -</u>	<u>\$ 9,800</u>	<u>\$ 47,624</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 393</u>	<u>\$ -</u>	<u>\$ 393</u>

There were no transfers between Levels 1 and 2 as of the three months ended March 31, 2024 and 2023.

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

For the Three Months Ended March 31, 2024

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1	\$ 24,805	\$ 13,960	\$ 38,765
Recognized in income (loss)	(94)	-	(94)
Recognized in other comprehensive income (loss)	<u>-</u>	<u>(57)</u>	<u>(57)</u>
Balance at March 31	<u>\$ 24,711</u>	<u>\$ 13,903</u>	<u>\$ 38,614</u>

For the Three Months Ended March 31, 2023

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1	\$ -	\$ 9,800	\$ 9,800
Recognized in other comprehensive income (loss)	<u>-</u>	<u>-</u>	<u>-</u>
Balance at March 31	<u>\$ -</u>	<u>\$ 9,800</u>	<u>\$ 9,800</u>

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

Financial Instruments	Valuation Techniques and Inputs
Derivative instruments - forward exchange contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Mutual funds	Using the median price of observable similar market

transactions or the price of similar tools provided by the mutual fund management company.

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

The fair values of unlisted equity securities and limited partnership - ROC were based on the fair value of net assets to determine the expected present value of the investment expectably.

c. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at FVTPL	\$ 41,466	\$ 40,076	\$ 28,390
Financial assets at amortized cost (1)	2,376,478	2,343,380	2,410,700
Financial assets at FVTOCI			
Equity instruments	143,675	144,060	47,624
<u>Financial liabilities</u>			
Amortized cost (2)	574,031	608,176	481,888
Financial liabilities at FVTPL	-	-	393

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, investments in debt instruments, notes receivable, trade receivables, other receivables and guarantee deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, trade payables, other payables and guarantee deposits.

d. Financial risk management objectives and policies

The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include currency risk, interest rate risk, credit risk and liquidity risk. In order to reduce financial risk, the Group is committed to identify, assess and avoid the uncertainty of the market and reduce the potential downside effects against the Group's financial performance due to market fluctuations.

The corporate treasury function is reviewed by the Group's board of directors and audit committee in accordance with related rules and internal control systems. The Group should implement the overall financial management objective as well as observe the levels of delegated authority and ensure that those with delegated authority carry out their duties.

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). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk.

a) Foreign currency risk

The Group's primary operating activities and foreign operations were in foreign currencies,

which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing derivative financial instruments (including forward exchange contracts and currency swap contracts). The Group could reduce but would be unable to eliminate the effect caused by foreign currency risks under the use of derivative financial products.

The Group's derivative financial instruments did not qualify under hedged items due to the fact that such products were due within one year of the initial transaction.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period and carrying amount of derivatives with foreign currency risk exposure are set out in Note 29.

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the NTD against each relevant currency. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of reporting period, and the impact on pre-tax profit and the equity.

	USD Impact (i)		EUR Impact (ii)	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2024	2023	2024	2023
Profit or loss	\$ 11,401	\$ 10,468	\$ 2,195	\$ 2,454
	MYR Impact (iii)			
	For the Three Months Ended March 31			
	2024	2023		
Profit or loss	\$ 564	\$ -		

- i. This was mainly attributable to the exposure on outstanding receivables and financial assets (liabilities) at FVTPL and payables in USD which were not in cash flow hedges at the end of the reporting period.
- ii. This was mainly attributable to the exposure on outstanding receivables and financial assets (liabilities) at FVTPL and payables in EUR which were not in cash flow hedges at the end of the reporting period.
- iii. This was mainly attributable to the exposure on outstanding cash and cash equivalents and payables in MYR which were not in cash flow hedges at the end of the reporting period.

b) Interest rate risk

Interest rate risk refers to the risk of the changes in the fair value of financial instruments and cash flow as a result of changes in the market rate.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
Financial assets	\$ 1,690,050	\$ 1,619,148	\$ 1,768,307
Financial liabilities	116,035	43,559	20,418
Cash flow interest rate risk			
Financial assets	153,836	145,648	165,237

Sensitivity analysis

The sensitivity analyses were determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments held for a quarter at the end of the reporting period. If interest rates had been 10 basis points higher and all other variables were held constant, the Group's profit or loss would have been as follows:

	Market Rate Change Impact For the Three Months Ended March 31	
	2024	2023
Profit or loss	\$ 38	\$ 41

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. The Group is exposed to credit risk from trade receivables, deposits and other financial instruments. Business-related credit risk is managed separately from financial-related credit risk.

a) Business-related credit risk

To maintain the quality of receivables, the Group has established operating procedures to manage credit risk.

For individual customers, risk factors considered include the customer's financial position, credit agency rating, the Group's internal credit rating and transaction history as well as current economic conditions that may affect the customer's ability to pay. The Group also has the right to use some credit protection enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group's top ten customers collectively accounted for 86%, 83% and 84% of total trade receivables, respectively. The credit concentration risk of the remaining accounts receivable is relatively insignificant.

b) Financial-related credit risk

Credit risk from bank deposits and other financial instruments are measured and monitored by the Group's finance department. However, since the Group's counterparties are all reputable financial institutions and government agencies, there are no significant financial-related credit risks.

3) Liquidity risk

The objective of liquidity risk management is to maintain sufficient operating cash and cash equivalents in order to ensure that the Group has financial flexibility.

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 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. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

March 31, 2024

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 530,586	\$ 436	\$ -	\$ 786	\$ 531,808
Fixed interest rate instruments	42,223	-	-	-	42,223
Lease liabilities	<u>28,448</u>	<u>49,845</u>	<u>-</u>	<u>-</u>	<u>78,293</u>
	<u>\$ 601,257</u>	<u>\$ 50,281</u>	<u>\$ -</u>	<u>\$ 786</u>	<u>\$ 652,324</u>

December 31, 2023

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 563,653	\$ 426	\$ -	\$ 769	\$ 564,848
Fixed interest rate instruments	43,328	-	\$ -	-	43,328
Lease liabilities	<u>255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255</u>
	<u>\$ 607,236</u>	<u>\$ 426</u>	<u>\$ -</u>	<u>\$ 769</u>	<u>\$ 608,431</u>

March 31, 2023

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 480,663	\$ 472	\$ -	\$ 753	\$ 481,888
Lease liabilities	<u>20,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,831</u>
	<u>\$ 501,494</u>	<u>\$ 472</u>	<u>\$ -</u>	<u>\$ 753</u>	<u>\$ 502,719</u>

28. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and their relationships

Related Party	Relationship with the Group
Walsin Technology Corporation	The Company's major institutional shareholder
INFO-TEK Corporation	Other related party
VVG INC.	Other related party
Lite-On Technology Corporation	The Company's major institutional shareholder
PSA Charitable Foundation	Other related party

b. Sales of goods

Item	Related Party Category	For the Three Months Ended March 31	
		2024	2023
Sales of goods	The Company's major institutional shareholder	\$ -	\$ 1,139

The sales of goods to related parties were made at the Company's usual conditions which had no significant difference with other non-related parties.

c. Purchases

Related Party Category	For the Three Months Ended March 31	
	2024	2023
Other related party	\$ 5,234	\$ 15,150

The purchases from related parties were made at the Company's usual conditions which had no significant difference with other non-related parties.

d. Other income and operating expenses

Item	Related Party Category	For the Three Months Ended March 31	
		2024	2023
Operating expenses	Other related parties (Note) The Company's major institutional shareholder	\$ 295	\$ 1,627
		<u>2,106</u>	<u>381</u>
		<u>\$ 2,401</u>	<u>\$ 2,008</u>
Other income (Recognized as operating expenses deductions)	Other related party	<u>\$ 530</u>	<u>\$ 265</u>

Note: For charity and community participation, the Company's board of directors held on February 22, 2024 and February 23, 2023 resolved to donate the PSA Charitable Foundation with a limit amount of NT\$7 hundred thousand and NT\$1 million for 2024 and 2023, respectively. It

is for the foundation to handle various charitable public welfare activities. The actual donation amount of NT\$1 million has been paid in 2023.

e. Receivables from related parties (excluding loans to related parties)

Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Trade receivables	The Company's major institutional shareholder	<u>\$ 416</u>	<u>\$ 491</u>	<u>\$ 1,696</u>
Other receivables	Other related party- INFO-TEK Corporation	\$ 1,242	\$ 3,531	\$ 6,168
	The Company's major institutional shareholder	<u>-</u>	<u>-</u>	<u>759</u>
		<u>\$ 1,242</u>	<u>\$ 3,531</u>	<u>\$ 6,927</u>

The outstanding trade receivables from related parties are unsecured.

f. Payables to related parties (excluding borrowings from related parties)

Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Trade payables	Other related party	<u>\$ 6,086</u>	<u>\$ 13,469</u>	<u>\$ 16,278</u>
Other payables	Other related parties	\$ 316	\$ 406	\$ 2,857
	The Company's major institutional shareholder	<u>1,766</u>	<u>129</u>	<u>124</u>
		<u>\$ 2,082</u>	<u>\$ 535</u>	<u>\$ 2,981</u>

The outstanding trade payables to related parties are unsecured.

g. Prepayments

Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Other current assets	Other related party	<u>\$ 3,437</u>	<u>\$ 1,466</u>	<u>\$ -</u>

h. Compensation of key management personnel

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	\$ 2,559	\$ 2,684
Termination benefits	<u>27</u>	<u>27</u>
	<u>\$ 2,586</u>	<u>\$ 2,711</u>

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

29. 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 are as follows:

March 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,694	31.9500 (USD:NTD)	\$ 54,134
USD	2,948	7.2129 (USD:RMB)	94,202
USD	5,164	4.7210 (USD:MYR)	164,982
EUR	830	34.3974 (EUR:NTD)	28,546
EUR	534	5.0826 (EUR:MYR)	18,374
JPY	200,000	0.0066 (JPY:USD)	42,220
MYR	3,062	0.2118 (MYR:USD)	20,721

Financial liabilities

Monetary items			
USD	382	31.9500 (USD:NTD)	12,193
USD	308	7.2129 (USD:RMB)	9,837
USD	1,980	4.7210 (USD:MYR)	63,276
JPY	200,000	0.0066 (JPY:USD)	42,220
EUR	88	5.0826 (EUR:MYR)	3,011
MYR	1,396	0.2118 (MYR:USD)	9,450

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,217	30.6550 (USD:NTD)	\$ 37,292
USD	3,169	7.0857 (USD:RMB)	97,159
USD	6,144	4.5720 (USD:MYR)	188,332
EUR	1,078	33.9014 (EUR:NTD)	36,535
EUR	492	5.0562 (EUR:MYR)	16,682
MYR	2,205	0.2187 (MYR:USD)	14,786
JPY	200,000	0.0071 (JPY:USD)	43,328

Non-monetary items

Derivative instruments

USD	298	4.5720 (USD:MYR)	241
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(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial liabilities</u>			
Monetary items			
USD	429	30.6550 (USD:NTD)	13,136
USD	419	7.0857 (USD:RMB)	12,846
USD	2,187	4.5720 (USD:MYR)	67,051
EUR	203	33.9014 (EUR:NTD)	6,871
EUR	89	5.0562 (EUR:MYR)	3,030
MYR	1,528	0.2187 (MYR:USD)	10,245
JPY	200,000	0.0071 (JPY:USD)	43,328

March 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,793	30.4000 (USD:NTD)	\$ 84,917
USD	4,554	6.8596 (USD:RMB)	138,429
USD	5,907	4.3930 (USD:MYR)	179,579
EUR	1,337	33.0509 (EUR:NTD)	44,187
EUR	397	4.7761 (EUR:MYR)	13,138

Financial liabilities

Monetary items			
USD	960	30.4000 (USD:NTD)	29,178
USD	877	6.8596 (USD:RMB)	26,647
USD	2,056	4.3930 (USD:MYR)	62,487
EUR	79	33.0509 (EUR:NTD)	2,625
EUR	80	4.7761 (EUR:MYR)	2,636
Non-monetary items			
Derivative instruments			
EUR	90	4.7761 (EUR:MYR)	60
USD	2,474	4.3930 (USD:MYR)	333

The Group is mainly exposed to the USD, EUR, MYR and RMB. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency are disclosed. The significant realized and unrealized foreign exchange gains (losses) are as follows:

For the Three Months Ended March 31				
Functional Currency	2024		2023	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 1,746	1 (NTD:NTD)	\$ 383
USD	31.3084 (USD:NTD)	(293)	30.3948 (USD:NTD)	328
RMB	4.3675 (RMB:NTD)	1,471	4.4437 (RMB:NTD)	207
MYR	6.6656 (MYR:NTD)	3,932	6.9452 (MYR:NTD)	(1,508)
		<u>\$ 6,856</u>		<u>\$ (590)</u>

30. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided: None.
- 2) Endorsements/guarantees provided: None.
- 3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): See Table 1 attached.
- 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) Acquisitions of individual real estate properties at costs of at least NT \$300 million or 20% of the paid-in capital: None.
- 6) Disposals of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 9) Trading in derivative instruments: See Note 7.
- 10) Intercompany relationships and significant intercompany transactions: See Table 2 attached.

b. Information on investees: See Table 3 attached.

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 investments at the end of the period, repatriations of investment income, and limit on the amount of investments in the mainland China area: See Table 4 attached.
- 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: See Table 5 attached.

- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purpose.
 - e) The highest balance, the end of period 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 period or on the financial position, such as the rendering or receipt of services.
- d. Information on 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: See Table 6 attached.

31. SEGMENT INFORMATION

The Group is organized and managed as a single reportable business segment. The Group's main operations are the manufacture and sale of rubber (plastic) products, and is considered as a single segment. The basis of information reported to the chief operating decision maker is the same as the consolidated financial statements. Because the basis of segment information reported to the chief operating decision maker is the same as the consolidated financial statements, the segment revenue and results for the three months ended March 31, 2024 and 2023 can be referred to in the consolidated statements of comprehensive income and the segment assets and liabilities as of March 31, 2024 and 2023 can be referred to in the consolidated balance sheets.

TABLE 1

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Held Company	Financial Statement Account	March 31, 2024				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
Silitech Technology Corporation	Ordinary shares							
	Chi Mei Mold Co., Ltd.	-	Financial assets at FVTOCI- non-current	1,300	\$ 9,065	3.71	\$ 9,065	
	RTR-TECH Technology Co., Ltd.	-	"	6,820	-	9.46	-	
	Walsin New Energy Corporation	Supervisor	"	500	4,838	10.00	4,838	
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	"	640	35,072	0.04	35,072	
	Hotai Finance Co., Ltd. Preferred Shares B	-	"	1,000	94,700	1.00	94,700	
	Limited Partnership							
	NEXUS CVC Partners Fund LP.	-	Financial assets at FVTPL- non-current		24,711		24,711	
	Corporate bond							
	BMW US CAPITAL LLC	-	Financial assets at amortized cost- non-current		18,783		-	
Silitech (Bermuda) Holding Ltd.	Fund							
	Innovation Works Development Fund, L.P.	-	Financial assets at FVTPL- non-current		US\$ 397		US\$ 397	
	BLACKROCK ICS US DOLLAR LIQUIDITY FUND (IRE LISTING)	-	Financial assets at FVTPL- current		US\$ 128		US\$ 128	
	Corporate bond							
	Standard Chartered Bank	-	Financial assets at amortized cost- current		US\$ 2,793		-	
	Formosa Group Cayman Ltd	-	Financial assets at amortized cost- non-current		US\$ 1,339		-	
	TSMC Global Ltd	-	"		US\$ 1,508		-	
	HSBC Holdings Plc	-	"		US\$ 1,705		-	
	TSMC Global Ltd	-	"		US\$ 1,002		-	
	United Overseas Bank Ltd	-	"		US\$ 903		-	
	Saudi Arabian Oil Co	-	"		US\$ 1,007		-	
	Citigroup Inc	-	"		US\$ 1,046		-	
	HSBC Holdings Plc	-	"		US\$ 1,053		-	
	British Telecommunications	-	"		US\$ 1,493		-	
	Prudential Funding Asia Plc	-	"		US\$ 2,278		-	
	BPCE SA	-	"		US\$ 2,350		-	
	National Australia Bank Ltd/New York	-	"		US\$ 2,509		-	
	Dell International LLC/Emc Corp	-	"		US\$ 1,032		-	
	Verizon Communications Inc	-	"		US\$ 1,356		-	

(Continued)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Held Company	Financial Statement Account	March 31, 2024				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
Silitech (Bermuda) Holding Ltd	Sumitomo Mitsui Trust Bank Ltd	-	Financial assets at amortized cost- non-current	-	US\$ 1,820		\$ -	
	Saudi Arabian Oil Co	-	"	-	US\$ 1,730		-	
	Nestle Holdings Inc	-	"	-	US\$ 2,088		-	
	Temasek Financial (I) Ltd	-	"	-	US\$ 1,504		-	
	International Business Machines	-	"	-	US\$ 648		-	
	Metropolitan Life Global Funding	-	"	-	US\$ 1,491		-	
	Westpac New Zealand Ltd.	-	"	-	US\$ 853		-	

(Concluded)

TABLE 2

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%) (Note 3)
0	Silitech Technology Corporation	Silitech Technology Corporation Sdn. Bhd.	a.	Management service revenue	\$ 10,089	Determined by contract	2
1	Silitech Technology Corporation Limited	Silitech Technology Corporation	b.	Sales	7,916	No significant difference	1
2	Xurong Electronic (Shenzhen) Co., Ltd.	Silitech Technology Corporation Limited	c.	Sales	7,916	No significant difference	1

Note 1: The Parent Company and its subsidiaries are coded as follows:

- a. The Parent Company is coded “0”.
- b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Nature of relationships are coded as follows:

- a. From the Parent Company to its subsidiary.
- b. From a subsidiary to its Parent Company.
- c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item’s end-of-period balance is shown as a percentage to the consolidated total assets as of March 31, 2024. For profit or loss items, cumulative amounts are shown as percentages to consolidated total operating revenue for the three months ended March 31, 2024.

Note 4: The table above only discloses related-party transactions which are material.

TABLE 3

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2024			Net Income (Losses) of the Investee	Share of Profits/(Losses) of Investee	Note
				March 31, 2024	December 31, 2023	Number of Shares	Percentage of Ownership (%)	Carrying Value			
Silitech Technology Corporation	Silitech (BVI) Holding Ltd.	British Virgin Islands	Investment activities	US\$ 29,028	US\$ 29,028	29,028,390	100	\$ 1,337,733	(US\$ 158)	(\$ 4,949)	Subsidiary (Note 1)
	Silitech Technology Corporation Sdn. Bhd.	Malaysia	Manufacture of computer peripheral products	US\$ 23,154	US\$ 23,154	21,400,000	100	825,497	MYR 4,974	33,155	Subsidiary (Note 1)
	Iwatsu (Malaysia) Sdn. Bhd.	Malaysia	Manufacture of telecommunications and communications equipment	US\$ 3,018	US\$ 3,018	40,000,000	100	88,323	(US\$ 156)	(3,663)	Subsidiary (Note 1)
Silitech (BVI) Holding Ltd.	Silitech (Bermuda) Holding Ltd.	Bermuda	Investment activities	US\$ 28,978	US\$ 28,978	28,978,390	100	US\$ 41,254	(US\$ 165)	N/A	Sub-subsidiary (Note 1)
Silitech (Bermuda) Holding Ltd.	Silitech Technology Corporation Limited	Hong Kong	Manufacture of plastic and computer peripheral products	US\$ 8,000	US\$ 8,000	62,400,000	100	US\$ 6,168	(RMB 3,532)	N/A	Third-tier subsidiary (Note 1)

Note 1: All amounts have been eliminated upon consolidation.

Note 2: Refer to Table 4 for information on investments in mainland China.

TABLE 4

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investments from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investments from Taiwan as of March 31, 2024	Net Income (Losses) of the Investee Company	Percentage of Ownership (%)	Share of Profits/(Losses) (Note 2)	Carrying Amount as of March 31, 2024	Accumulated Inward Remittance of Earnings as of March 31, 2024	Note
					Outflow	Inflow							
Xurong Electronic (Shenzhen) Co., Ltd.	Manufacture of touch panels and plastic and rubber assemblies	\$ 89,460 (US\$ 2,800)	Note 1	\$ 203,354	\$ -	\$ -	\$ 203,354	\$ (15,743) (RMB -3,604)	100	\$ (15,743) (RMB -3,604)	\$ 126,564 (RMB 28,581)	\$ 4,162,078 (US\$ 122,919) (RMB 71,822)	Note 6
Silitech Technology (Suzhou) Co., Ltd.	Manufacture and sale of automotive parts	-	Note 1	1,118,250 (US\$ 35,000)	-	-	1,118,250 (US\$ 35,000)	-	-	-	-	1,213,459 (US\$ 8,796) (RMB 214,783)	

Accumulated Investments in Mainland China as of March 31,2024	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on Investment
\$ 1,417,454 (Note 4) (US\$ 38,000) (NT\$ 203,354)	\$ 1,574,169 (Note 4) (US\$ 42,905) (NT\$ 203,354)	\$6,989,104 (Note 3)

- Note 1: Indirect investment in mainland China through holding companies located in a third country.
- Note 2: All the financial statements used as basis for calculating the investment amounts were not reviewed by the independent auditors.
- Note 3: The Company’s upper limit on investments in China (calculated based on the higher of 60% of Silitech Technology Corporation’s net worth or consolidated net worth of \$80 million, plus accumulated inward remittance of share capital or earnings from subsidiaries in mainland China): \$2,689,278 (net worth) × 60% + \$5,375,537 = \$6,989,104.
- Note 4: Investment amounts approved by the Ministry of Economic Affairs, R.O.C. are as follows:

Name of Investee	Order No.	Approved Amount
Xurong Electronic (Shenzhen) Co., Ltd.	091030841	NT\$ 203,354
Silitech Electronic (Changshu) Ltd. (liquidated in October 2010)	093032599	US\$ 3,000
Silitech Technology (Suzhou) Co., Ltd.(Note 6)	10930007090	US\$ (43,000)
Silitech Technology (Suzhou) Co., Ltd.(Note 6)	09600170390	US\$ 20,000
Silitech Technology (Suzhou) Co., Ltd.(Note 6)	09600164790	US\$ 2,000
Silitech Technology (Suzhou) Co., Ltd.(Note 6)	09500326290	US\$ 11,000
Silitech Technology (Suzhou) Co., Ltd.(Note 6)	09700434630	US\$ 45,000
Silitech Plating (Shenzhen) Co., Ltd. (liquidated in September 2012)	09500004400	US\$ 605
Suzhou Xulong Mold Producing Co., Ltd. (liquidated in May 2018)(Notes 5 and 7)	09700063560	US\$ 1,200
Suzhou Xulong Mold Producing Co., Ltd. (liquidated in May 2018)(Notes 5 and 7)	10000321080	US\$ 1,500
Silitech Surface Treatment (Shenzhen) Co., Ltd. (liquidated in December 2012)	09900449200	US\$ 1,600

- Note 5: Including accumulated investments of US\$2,700 thousand which are not from Taiwan (R.O.C).
- Note 6: Silitech Technology (Suzhou) Co., Ltd. was dissolved after liquidation in January 2020. The share capital of RMB21,720 thousand was remitted to Silitech (Bermuda) Holding Ltd.
- Note 7: Suzhou Xulong Mold Producing Co., Ltd. was dissolved after liquidation in May 2018. The share capital of US\$58 thousand was remitted to Silitech Technology Corporation Limited and was approved on June 25, 2018 by Order No. 10730038150.
- Note 8: All intercompany investments have been eliminated upon consolidation.

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized
		Amount	Percentage (%)		Payment Terms	Comparison with Normal Transactions	Ending Balance	Percentage (%)	
Xurong Electronic (Shenzhen) Co., Ltd. (Note)	Purchase	\$ 7,916	6	No significant difference	90 days	90-120 days	\$ (9,947)	6	\$ 57

Note: Eliminated upon consolidation.

TABLE 6**SILITECH TECHNOLOGY CORPORATION****INFORMATION ON MAJOR SHAREHOLDERS****MARCH 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Walsin Technology Corporation	17,000,000	25.00
Lite-On Technology Corporation	11,707,548	17.21

Note: The information on the major shareholder listed in the table above is based on the total number of ordinary and preference shares (including treasury shares) owned by the shareholder at a minimum shareholding percentage of 5%, and which have been delivered as non-physical securities to the Taiwan Depository & Clearing Corporation on the last business day at the end of the quarter. The actual number of shares delivered as non-physical securities and the number of shares recorded in the Company's consolidated financial statements may be different due to differences in the basis of preparation and calculation.