Stock Code: 6207

LASER TEK TAIWAN CO.,LTD 雷科股份有限公司

2023

Annual Report

Annual Report Website: Market Observation Post System at http://newmops.tse.com.tw
Information disclosure website designated by the Securities and Futures Bureau, FSC http://newmops.tse.com.tw
Website where annual report-related information is available. http://www.lasertek.com.tw

June 19, 2024

I. The Company's Spokesperson and Deputy Spokesperson:

Name of Spokesperson: TANG, CHING-LING; Title Assistant Vice President
Telephone: (07)815-9877
Email: lasertek@lasertek.com.tw
Name of Deputy Spokesperson: CHEN, HSUAN-YU Title: Manager
Telephone: (07)815-9877
Email: lasertek@lasertek.com.tw

II. Address and Telephone Number of the Headquarters and Factories

1. Headquarters Address: No. 248-39, Xinsheng Rd., Qianzhen Dist., Kaohsiung City
   Telephone: (07)815-9877
2. Branch Company Address: No. 209, Qixian 3rd Road, Yancheng District, Kaohsiung City
   Telephone: (07)815-9877
3. Hsinchu Branch Company Address: 1F, No. 29, Dong Sec. 2, Guangming 6th Rd., Zhubei City, Hsinchu County
   Telephone: (03)658-6579
4. Factory Address:
   (1) Linkuang 1st Factory: No. 248~ 39, Xinsheng Rd., Qianzhen Dist., Kaohsiung City
   Telephone: (07)815-9877
   (2) Linkuang 2nd Factory: No. 248~ 12, Xinsheng Rd., Qianzhen Dist., Kaohsiung City
   Telephone: (07)951-0828
   (3) Linkuang 3rd Factory: 2F, No. 248-12, Xinsheng Rd., Qianzhen Dist., Kaohsiung City
   Telephone: (07)951-0828
   (4) Linkuang ECT Factory: 3F, No. 248-12, Xinsheng Rd., Qianzhen Dist., Kaohsiung City
   Telephone: (07)811-2151
   (5) Linkuang 5th Factory: 6F, No. 248-12, Xinsheng Rd., Qianzhen Dist., Kaohsiung City

III. Common Stock Transfer Agency:

Name: Yuanta Securities
Address: B1F, No. 210, Section 3, Chengde Road, Datong District, Taipei City
Telephone: (02)2586-5859
Website: www.yuanta.com.tw

IV. The Name of Auditors for the Financial Report of the Most Recent Year, and the Name and Address of the Auditors' Firm:

Name of auditors: Chien-Chih Wu; Kuo-Hua Wang
Name of firm: PwC Taiwan
Address: 27F, No.333.Sec.1, Keelung Rd., Xinyi Dist., Taipei City
Telephone: (02)2729-6666 Website: www.pwc.com/tw

V. Overseas Securities Listing Exchange and Information: N/A.

VI. Company website: http://www.lasertek.com.tw

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Business reports

Dear Shareholders:

Thank you all for taking the time to attend LaserTek Taiwan Co., Ltd.'s 2024 Annual Shareholders' Meeting. On behalf of the Company and all LaserTek employees, I would like to express our appreciation for the support and love you have shown our Company.

In 2023, we experienced a decline in the Group's operating profit from the previous year. This decline is mostly caused by inventory adjustments from downstream customers in the passive component business, which led to a decrease in the sales of coil materials and equipment materials. Nevertheless, due to changes in product mix and increased laser equipment sales to the optoelectronics industry and semiconductor industry have led to a small increase in the gross margin. The Company is continuing to innovate our equipment R&D technologies, and we can provide a variety of laser equipment required across industries. This enables the Company to expand to different product markets. Currently, with the demand from the AI industry chain and the popularity of the electric vehicle industry, the Company also aspires to enhance our R&D competencies for equipment to create more market opportunities, thereby generating higher profits.

Our employees and management team will continue to work even more diligently while maintaining committed, rigorous, and proactive outlook. Going forward, we will be dedicated to improving product profitability and cost control, systematic adjustments, and R&D and innovations in the hopes of achieving even more robust growth and higher profits, thereby achieving exceptional business performance.

The Company's 2023 operating performance and 2024 business outlook are summarized as the following:

I. 2023 Operating Performance:

(I) Business Plan Implementation Results and Summary:

The Company's 2023 Group consolidated operating revenue reached NT$1,177,816 thousand, or NT$208,954 thousand less than the NT$1,386,770 thousand in 2022. The consolidated revenues decreased by 15.07%. In 2023, the domestic operating revenues reached NT$820,917 thousand, showing a NT$93,062 thousand decrease, or 10.18% decrease, from the NT$913,979 thousand domestic revenue in 2022.

The 2023 consolidated net income after tax was NT$144,981 thousand, representing a NT$5,557 thousand decrease, or 3.69%

decrease, from the NT$5,557 thousand in 2022.

(II) Operating Revenue and Expense Budget Implementation

The Company did not publish 2023 financial forecasts, and hence this is inapplicable.

(III) Financial structure and profitability analysis

Unit: NT$ thousand

Item	Year	2023 (Group consolidated data)	2022 (Group consolidated data)	2023 (Parent company-only)	2022 (Parent company-only)
Financial receipts and expenditures	Net operating revenues	1,177,816	1,386,770	820,917	913,979
	Gross profit	363,338	363,338	294,496	236,005
	Net profit/loss after tax	144,981	150,538	146,612	150,556
Profitability	Return on assets (%)	4.38	4.23	3.98	4.10
	Return on equity (%)	8.26	9.23	8.40	9.32
	Ratio of operating income to paid-in capital (%)	13.11	20.66	7.77	9.17
	Ratio of net profit before tax to paid-in capital (%)	24.48	24.68	22.58	23.66
	Net margin	12.31	10.86	17.86	16.47
	Earnings per share (NTD)	3.07	1.55	3.07	1.55

(IV) Research and Development Status

1. R&D expenditure in the most recent two years

Unit: NT$ thousand

Year	2023	2022
Research and Development Expenses	31,220	32,353

2. R&D achievements in 2022

Technologies and products researched and developed in 2023:

R&D plan in 2022	Current progress	Time to mass production
Function trim	Equipment development has been completed and quality testing is in progress	Conducted quality verification at customer's site in May 2024
AI & AOI SMD defect inspection machine	Collected AI data and built model.	Quality verification to be carried out in June 2024
Four-headed ceramic rapid drilling	Motion axis control system has been optimized and mass production has been	Mass production has been completed and production testing is being

machine (Gen II)	completed Optimized the pre- and post-inspection functions of equipment and improve equipment yield rate.	carried out at customer's site.
3D automotive electronic module cutter	Optimized processing time in customized laser and optical system.	Mass production has been completed and customer verification will be carried out in June 2024
2.5D TSV wafer drilling	Deployed femto laser for quality test of plating through hole (PTH) and blind via hole (BVH), which are co-developed with customers.	Quality verification to be carried out in June 2024
SIC cutting and drilling	Introduce femto laser quality test, which is co-developed with customers.	Quality verification to be carried out in June 2024
LAB heterogeneous laser welding	Designed and developed peripherals including temperature measurement components, customized optical coating lens sets etc.	Integration and quality verification to be carried out in June 2024

II. Summary of Business Plan for 2024

(I) Business Direction

1. Continue to research and develop applications of laser equipment and machinery

   The Company is committed to in-house R&D of laser equipment products that can be applied to a variety of fields. We will continue to develop new technologies, in particular, technologies for advanced processes in the semiconductor industry and the optoelectronics Industry, and to provide customers with one-stop product services by developing and manufacturing diverse

equipment and machinery to help solve processing challenges at the customers' end, thereby satisfying customers' diverse needs.

2. Develop the green energy industry

To address the Company's goal of sustainable development and to achieve full-time zero emissions across the world in the future, the Company is also actively developing and investing in green energy-related industries. By investing in the industrial supply chain, we can promote multi-faceted development for the Company and thereby enhance our competitiveness.

(II) Sales Forecast and its Basis

Sales figures are formulated based on market demand and development trends, customers' business overview, and the Company's current sales and production status. The Company's production capacity and scale are also taken into consideration in setting sales forecasts. Since the economic indicators across the globe are still showing vast uncertainties, the Company will achieve our upcoming business goals by continuing to uphold our business philosophy of professionalism, integrity, sharing, and continuous innovation and improvement to actively address changes in the operating environment and to seize market trends.

(III) Important Production and Sales Policies:

1. Production policy:

(A) SMD packaging materials:

Optimize production process improvements to enhance production quality and reduce manufacturing cost. Continue to develop original materials and reduce material costs.

(B) Laser machinery and equipment:

Continue to research and develop laser equipment and machinery with various applications and innovative technologies, and to form even more close-knit strategic partnerships with equipment suppliers.

2. Sales policy:

(A) Continue to strengthen existing SMD material, SMT, and semiconductor customers by targeting mainstream market and developing high-quality and competitive products.

(B) Integrate resources from Taiwanese and overseas production sites, achieve real-time coordination with customers' mass production needs, and continue to implement global division of labor and centralized Group operations.

(C) Commit to talent development plan by setting global marketing goal and strengthening the Company's human resources; enhance product quality and quantity control and after-sale customer service in order to successfully construe global supply competencies and benefits.

Looking forward, we will continue to strive for even higher operating performance by adopting a more proactive yet prudent approach. And we hope that all shareholders can continue to support and encourage Laser Tek Group enterprises. Thank you and we would like to wish you all
The best of health and may all your wishes come true!

Chairperson of the Board:	Manager: HUANG,	Head of Accounting:
CHENG, TSAI-HSIN	MENG-I	TANG, CHING-LING

Chapter II. Company profile

I. Date of establishment and registration: September 6, 1988

II. Company History

1. LASERTEK's Vision: Construct a Global Presence for LASERTEK; Focus on Core Optoelectronic Technology; Forge Niche and Blue Ocean Markets; Provide Total Solutions.

1988	September	Established LaserTek Taiwan Co., Ltd., with a capital stock of NT$5 million.
1993		Received the Top Global Sales award from CYBER OPTICS, an American company, in 1992.
1993	January	Established Xinya Factory for the business of laser cutting.of fine ceramics.
1995		Received Best Global Sales award from KOYO THERMO SYSTEMS ASIA CO., LTD. in 1995.
1996	January	Set up the 2nd production line for laser cutting of fine ceramic substrates in Xinya Factory.
	May	Conducted a follow-on offering for NT$4 million, increasing the capital stock to NT$9 million.
1998	December	Conducted a follow-on offering for NT$12 million, increasing the capital stock to NT$30 million.
1998		Received the Top Global Sales award from CYBER OPTICS, an American company, in 1998.
1999	October	Conducted a follow-on offering for NT$20 million, increasing the capital stock to NT$50 million.
1999		Received the Outstanding Vendor award from the PHILIPS.
1999	December	Established Nanzi Branch to initiate the business of slitting and punching of surface mount component (SMD) packaging tapes.
2000	October	Set up two additional production lines for laser cutting of fine ceramic substrates in Xinya Factory.
2000	December	Conducted a follow-on offering for NT$62.5 million, increasing the capital stock to NT$112.5 million.
2000		Received the Top Global Sales award from CYBER OPTICS, an American company, in 2000.
2001	January	Set up LASERTEK's headquarters and slitting and punching factories in Linkuang Processing Zone.
2001	May	Conducted a follow-on offering for NT$80 million and capitalization of profits of NT$19.67 million, increasing the capital stock to NT$212.17 million.
2002	January	Became listed on the emerging stock market on Taipei Exchange.
2002	January	Received the Top Global Sales award from CYBER OPTICS, an American company, in 2001.
2002	January	Established LASERTEK Dong-Guan factory.
2002	March	Purchased a new factory (the 2nd factory) in Linkuang Export Processing Zone.
2002	June	Passed ISO-9001:2000 certification.
2002	June	Conducted a follow-on offering for NT$50 million and capitalization of profits of NT$42.312 million, increasing the capital stock to NT$304.482 million.
2002	July	Established LASER TEK KUNSHAN CO., LTD.
2002	October	Received the 2nd place in CommoWealth Magazine's "2002 Taiwan Top 100 SMEs with Growth Potential" in terms of growth rate.

2002	December	Became listed on the OTC market on Taipei Exchange.
2003	January	Established and officially operated Shanghai Press Trading Company and Linkuang 3rd factory.
2003	April	The Board of Directors resolved to issue the first tranche of domestic secured convertible corporate bonds for NT$200 million.
2003	June	Established LASER TEK(SINGAPORE)PTE.LTD. through indirect investment.
2003	July	Conducted capitalization of profits of NT$74.3964 million, increasing the capital stock to NT$378.8784 million.
2003	July	Received the 6th Rising Star Award.
2003	August	Chairman & C.E.O Mr. Cheng obtained "The Outstanding Corp. Leaders of the ROC- Golden Peak Award"
2003	December	Chairman & C.E.O Mr. Cheng was invited to discuss "Globalization and Taiwan 's Economic Growth" with Dr. Vernon L.Smith, the 2002 Nobel laureate in Economics.
2003	December	Chairman & C.E.O Mr. Cheng presided over the topic of "Globalization Challenges and Transformation Technology" at the 13th International Conference on Comparative Management (ICCM).
2004	January	Received the Top Global Sales award from CYBER OPTICS USA in 2003.
2004	January	Included in Top 1000 TWSE/TPEx-listed Companies.
2004	January	Set up and officially operated LASERTEK Xiamen Factory.
2004	April	Issued the second tranche of domestic secured convertible corporate bonds for NT$360 million.
2004	September	Chairman & C.E.O CHENG, TSAI-HSIN won the "National Manager Excellence Award".
2004	October	Chairman & C.E.O CHENG, TSAI-HSIN won the 27th Model of Entrepreneurs Award.
2004	October	Received the 2004 SMEs Organizational Learning Award.
2004	November	The certificate of "LASERTEK Global Corporate Operational Headquarters" was granted by the Ministry of Economic Affairs.
2005	January	LASERTEK received the 2nd "HPE Best Gold Partner - Sales" from Hewlett-Packard Development Company.
2005	January	LASERTEK received the MAKING LIGHT WORK#1WORLDWIDE SE-300 SALES 2004 from CYBER OPTICS, an American company.
2005	January	LASERTEK was included in Deloitte Technology Fast 500Asia Pacific.
2005	July	Established LAMDA GROUP L.L.C.(U.S.A.) through indirect investment.
2005	December	LASERTEK obtained the "Role Model Award for for-Benefit Enterprises Providing Internship and Jobs to Physically Challenged Students" from the Ministry of Education.
2006	January	LASERTEK received the 2005 TOP ASIA SALES award from CYBER OPTICS, an American company.

2006	January	Established TAPE TEK TECHNOLOGY CORP. LTD., a wholly owned company.
2006	October	Established Dongguan Guochuang IC, and testing and packaging company.
2006	November	LASERTEK received the "EPZ Outstanding SMEs" award from the Ministry of Economic Affairs.
2007	January	LASERTEK received the 2006 TOP ASIA SALES award from CYBER OPTICS, an American company.
2007	December	The MOEA approved LASERTEK 's application of an industrial technology project, namely, "Project to Integrate the Technologies and Equipment for Nano Second Laser Micro Process".
2008	January	LASERTEK received the 2007 TOP ASIA SALES award from CYBER OPTICS, an American company.
2008	May	Ranked 825th in CommonWealth Magazine's 2007 "Top 1000 Manufacturing Enterprises", and 89th in the electronics sector thereunder.
2008	October	Received the 17th Rising Star Award.
2008	December	Passed the 4th Corporate Governance Evaluation certification.
2009	March	LaserTek Taiwan Co., Ltd.'s LED lighting product department was established.
2009	May	LaserTek Taiwan Co., Ltd. established the ECT packaging material department, officially tapping into the market for semiconductor active component packaging materials.
2009	September	LaserTek Taiwan Co., Ltd. established the air-conditioning department and merged it with the IS/LED departments to form the Energy Business Department.
2009	October	LaserTek Taiwan Co., Ltd. was awarded the gold medal in the "Talent Quality Management System (TTQS) Evaluation for Enterprises" by the Council of Labor Affairs, Executive Yuan
2010	February	LaserTek Taiwan Co., Ltd. Established its Hsinchu Branch Company, which was composed of the SEMI Division and the Technology and Materials Division.
2010	March	LASERTEK's Hsinchu Branch Company established the Optoelectronic Equipment Division.
2010	March	LaserTek Taiwan Co., Ltd. passed the 5th Corporate Governance Evaluation certification.
2010	July	Issued the third tranche of domestic unsecured convertible corporate bonds for NT$500 million
2010	October	Invested in Jie-Yan-Jie-Neng Technology Co., Ltd. and WEIKE SEMICONDUCTOR CO., LTD. through indirect investment.
	October	Invested in Lei-Yu Electronic Plastic (Suzhou) Co., Ltd. through indirect investment.
2010	December	Received a bronze prize in the 10th Arts and Business Awards.

2011	January	Invested in JIANWEITE INTERNATIONAL CO.,LTD., FU WAH COMPANY LIMITED, and Shenzhen Fumingwei Industrial Co., Ltd through indirect investment.
2011	May	Issued the fourth tranche of domestic unsecured convertible corporate bonds for NT$600 million.
2012	May	Ranked 845th in CommonWealth Magazine's 2011 "Top 1000 Manufacturing Enterprises" and 84th in the electronics sector thereunder.
2015	November	LaserTek Taiwan Co., Ltd. passed ISO1400 certification.
2017	April	Became winner of the 4th Taiwan Mittelstand Award.
2019	November	Received a silver medal in the Talent Quality-Management System (TTQS) evaluation.
2019	December	Received the "National Talent Development Award for SMEs".
2019	December	Received the "Kaohsiung Model Enterprise Award".
2021	December	Received a gold medal in the Talent Quality-Management System (TTQS) evaluation.
2022	July	Received the Excellent Member Award from Kaohsiung Chamber of Industry.
2023	December	Ministry of Economic Affairs Industrial Park 2023 Annual Work-Family Integration Friendly Enterprise Award-Medium-sized Enterprise Group
2023	December	Received a gold medal in the Talent Quality-Management System (TTQS) evaluation.
2024	March	Kaohsiung City Industrial Association 113th Outstanding Member Award

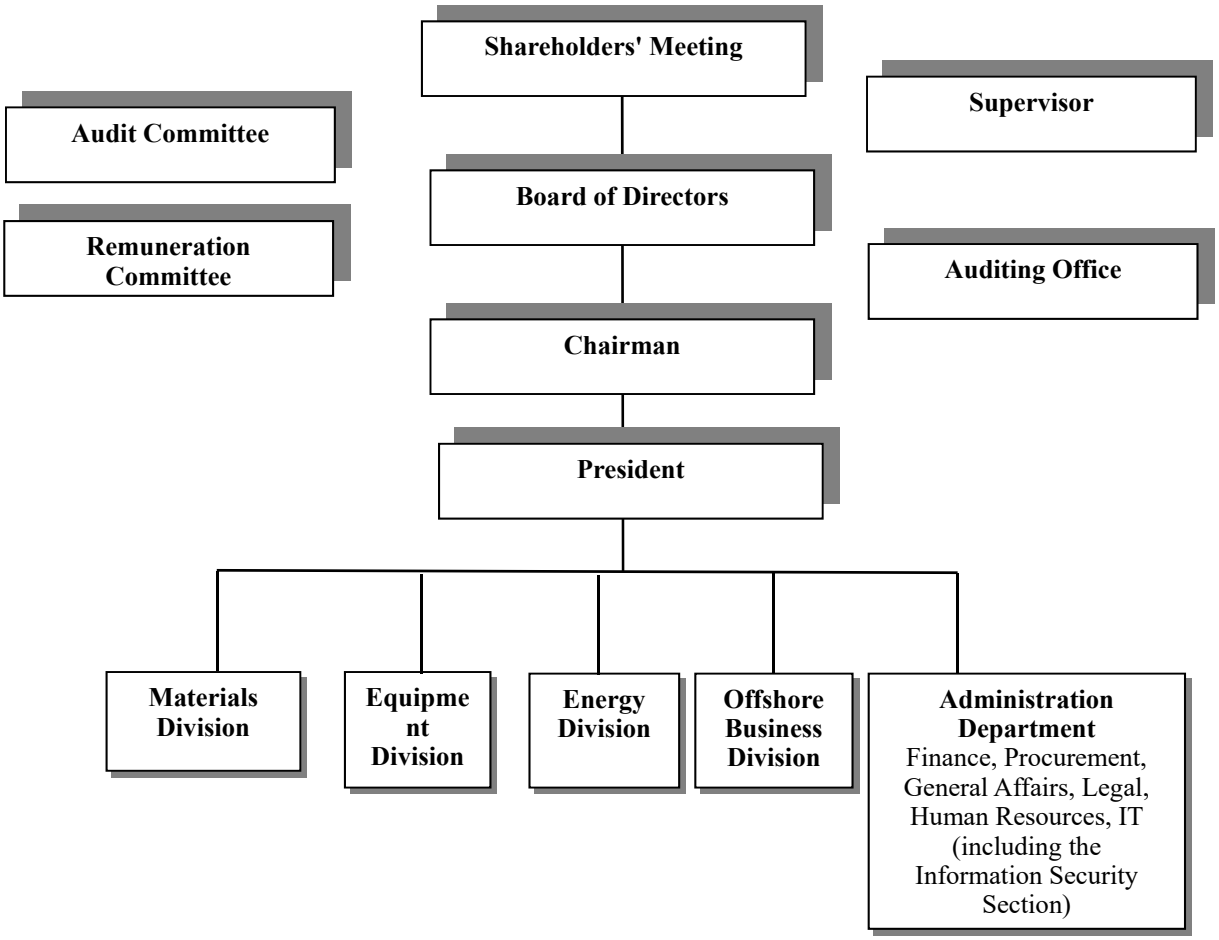
2. Mergers and acquisitions during the most recent year or during the current year up to the publication date of the annual report: N/A.
3. Reorganization of investees during the most recent year or during the current year up to the publication date of the annual report: N/A.
4. Any instance in which a major quantity of shares belonging to directors, supervisors, or shareholders holding greater than a 10 percent stake in the company is transferred or otherwise changes hands during the most recent year or during the current year up to the publication date of the annual report: N/A.
5. Any change in managerial control, operating methods, or type of business; or any other material matter that could affect shareholders' equity, in the company during the most recent year or during the current year up to the publication date of the annual report: N/A.

Chapter III. Corporate Governance Report

I. Company Organization

(I) Organization

1. Organization structure:



2. Major business units and their key businesses

Unit	Duties
Auditing Office	Execute internal audit; plan internal control systems; assess budget performance and submit suggestions for improvement in systems.
Materials Division	Take charge of planning of domestic and overseas production and sales in relation to the business of packaging materials for SMD active and passive components; market survey; formulation of marketing strategy; publicity and advertising; market development; export business; customer credit investigation and collection of overdue payments; and after-sale services.
Equipment Division	Take charge of planning of domestic and overseas production and sales in relation to the business of laser equipment and SMT equipment; market survey; formulation of marketing strategy; publicity and advertising; market development; export business; customer credit investigation and collection of overdue payments; after-sale services; and product processing and manufacturing.
Energy Division	Take charge of planning of domestic and foreign production and sales in relation to the business of energy products; market survey; formulation of marketing strategy; publicity and advertising; market development; export business; customer credit investigation and collection of overdue payments; and after-sale services.
Offshore Business Division	Take charge of investment and factory establishment abroad, and the assessment and management, research and development, manufacturing affair, sales affairs, and financial and accounting affairs thereof.
Administration Department Finance, Procurement, General Affairs, Legal, Human Resources, IT (including the Information Security Section)	Human Resources, General Affairs: Take charge of matters relating to human resources, education and training, documents, general affairs, occupational safety and environmental protection, asset management, and public relations. IT expertise: Take charge of management of information security systems and software and hardware, and cyber security. Legal: Take charge of contract control, system review, litigation, and patents. Finance: Draft, build, and execute tasks in relation to financial management, accounting management, shareholders' affair management, tax planning, capital utilization, budget, and financial forecast. Procurement: Procure for all departments; assess suppliers, transact with them, and track delivery dates.

II. Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and Managers of Departments and Branches

(I) (1) Profile of directors and supervisors:

April 20, 2024

Title (Note 1)	Nationality	Name	Age (Note 2)	Date elected	Term	Date the person was elected for the first time (Note 3)	Shares held during election		Current Shareholding		Spouse & Minor Shareholding		Shareholding by nominee arrangement		Education/work experience(Note 4)	Other current positions within the Company and in other companies	Spouse or relatives of second degree or closer acting as Directors, Supervisors, or other department heads			Remark (Note 5)
							No. of shares	Shareholding Ratio (%)	No. of shares	Shareholding Ratio (%)	No. of shares	Shareholding Ratio (%)	No. of shares	Shareholding Ratio (%)			Title	Name	Relationship	
Institutional director	Republic of China	Press Investment Co., Ltd.	NA	2022.06.24	3 years	2001.07.14	6,511,923	7.76	6,186,326	7.76	0	0	0	0	-	-	-	-	-	
Chairman	Republic of China	Press Investment Co., Ltd. Representative: CHENG, TSAI-HSIN	M 61-70	2022.06.24	3 years	2001.07.14	656,076	0.78	588,000	0.74	0	0	0	0	Founder of LaserTek Taiwan Co., Ltd. Master of Management, National Sun Yat-sen University	Chairman, Press Investment Co., Ltd. Supervisor, Shun-Chih Investment Corp.	None	None	None	
Institutional director	Republic of China	Shun-Chih Investment Corp.	NA	2022.06.24	3 years	2001.07.14	700,760	0.84	665,722	0.84	0	0	0	0	-	-	-	-	-	
Director	Republic of China	Shun-Chih Investment Corp. Representative: YANG, YIN	F 51-60	2022.06.24	3 years	2001.07.14	3,364	0.01	2,000	0.00	0	0	0	0	Business Vice President, LaserTek Taiwan Co., Ltd. Master of Management, National Sun Yat-sen University	Business Vice President of the Company	None	None	None	
Institutional director	Republic of China	Yong-Si Asset Management Co., Ltd.	NA	2022.06.24	3 years	2001.07.14	170,000	0.12	161,500	0.20	0	0	323000,	0	-	-	-	-	-	
Director	Republic of China	Yong-Si Asset Management Co., Ltd. Representative: CHEN, YUNG-LIN	M 61-70	2022.06.24	3 years	2001.07.14	0	0	0	0	0	0	0	0	Chairman, Yong-Si Asset Management Co., Ltd. Master of Environmental Biology and Fisheries Science, National Taiwan Ocean University	Chairman, Yong-Si Asset Management Co., Ltd.	None	None	None	
Director	Republic of China	CHUANG, YU-KU	M 41-50	2022.06.24	3 years	2013.06.18	5,000	0.01	4,750	0.01	0	0	0	0	Chairman, GERMAGIC; Master of Management, National Sun Yat-sen University	Chairman, GERMAGIC	None	None	None	
Independent Director	Republic of China	LIEU, DER-MING	M 61-70	2022.06.24	3 years	2004.04.29	0	0	0	0	0	0	0	0	Bachelor of Finance and Economics, The Ohio State University; Professor of the Department of Finance, Sun Yat-Sen University; Independent Director, Tung Ho Steel Enterprise Corp.; Independent Director, CSBC Corporation, Taiwan.	Independent Director, CSBC Corporation, Taiwan Independent Director, Tung Ho Steel Enterprise Corp.	None	None	None	

Independent Director	Republic of China	HUANG, LAI-FU	M 71-80	2022.06.24	3 years	2007.06.13	0	0	0	0	0	0	0	0	Master of Management, National Sun Yat-sen University	None	None	None	None	
Independent Director	Republic of China	LIN, YI CHANG	M 61-70	2022.06.24	3 years	2022.06.24	0	0	0	0	0	0	0	0	Managing partner, Kaohsiung Office, PwC Taiwan Master of Management, National Sun Yat-sen University	Independent Director, Ton Yi Industrial Corp. Independent Director, CHENG MEI MATERIALS TECHNOLOGY CORPORATION	None	None	None	

Note 1: For an institutional shareholder, the name of the institutional shareholder and its representative shall be listed separately (when listing the representative of an institutional shareholder, the name of the institutional shareholder shall also be noted), and Form 1 below shall also be completed.

Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years old or 51~60 years old.

Note 3: Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4: Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attester, specify the position held and the duties for which the person was responsible.

Note 5: The reason, reasonableness, necessity, and future remedial measures, as well as other related information shall be explained when the same person, spouses, or first-degree relatives serve as chairperson and general manager or its equivalent rank (top manager) (e.g., appointment of additional Independent Directors and requiring the appointment of more than half of the Directors from individuals who are not employees or managers)

(2) **Name of institutional shareholders with 10% or more equity stake or whose equity stake is among the top 10, and the shareholding percentage thereof:**

April 22, 2023

Name of institutional shareholder(Note 1)	Major shareholders of institutional shareholders(Note 2)
Press Investment Co., Ltd.	CHENG, TSAI-HSIN (87%)
Shun-Chih Investment Corp.	CHENG, TSAI-HSIN (45.2%); CHENG, YU-HUI (18%); CHENG, YU-FANG (12.65%); CHENG, WEI-CHUNG (14.15%).
Yong-Si Asset Management Co., Ltd.	Yong-Yi Asset Management Co., Ltd. (97.8%); CHEN, YUNG-LIN (2%)

Note 1: If the director or supervisor is a representative of an institutional shareholder, fill in the name of the institutional shareholder.

Note 2: Fill in the names of the institutional shareholder's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios. If any of the major shareholders is an institutional shareholder, also complete Form 2 below.

Note 3: If an institutional shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation ratios, respectively. If a donor has died, please further note "deceased."

Where a major shareholder is an institutional shareholder, list the institutional shareholder's major shareholders and their shareholding percentage:

Name of institutional shareholder (Note 1)	Major shareholders of the institutional shareholder (Note 2)
Yong-Yi Asset Management Co., Ltd.	Yong-Si Asset Management Co., Ltd. (97.8%); CHEN, YUNG-LIN (2%)

Note 1: If any major shareholder in Form 1 above is an institutional shareholder, fill in the name of that institutional shareholder.

Note 2: Fill in the names of the institutional shareholder's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios.

Note 3: If an institutional shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation ratios, respectively. If a donor has died, please further note "deceased."

(3) Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors: April 25, 2022

Criteria / Name	Professional qualifications and experience	Number of other Taiwanese public companies concurrently served as an independent director
Press Investment Co., Ltd. Representative: CHENG, TSAI-HSIN	**Expertise:** Experience in relevant industries (electronic components/SMT, laser equipment); Marketing expert; Business administration **Education:** Master of Management, National Sun Yat-sen University **Other major position:** Chairman, LaserTek Taiwan Co., Ltd. **Experience:** Chairman, Harbor City Association; Deputy Strategy Officer, Council for Industrial & Commercial Development	0
Shun-Chih Investment Corp. Representative: YANG, YIN	**Expertise:** Experience in relevant industries (electronic components/SMT, laser equipment); Marketing expert; Business administration **Education:** Master of Management, National Sun Yat-sen University **Other major position:** Business Vice President, LaserTek Taiwan Co., Ltd. **Experience:** Deputy Manager, Taiwan Kuroda Electric Co., Ltd.; Business Assistant Vice President, LaserTek Taiwan Co., Ltd.	0
Yong-Si Asset Management Co., Ltd. Representative: CHEN, YUNG-LIN	**Expertise:** International financial; investment principles; derivative financial products; measurement and management of risks of investment portfolios. **Education:** Master of Environmental Biology and Fisheries Science, National Taiwan Ocean University **Other major position:** Chairman, Yong-Si Asset Management Co., Ltd. **Experience:** Director, Kaohsiung Business Bank; Director, BestDisk Technology Corp.	0
CHUANG, YU-KU	**Expertise:** Marketing expert; Business administration; industrial knowledge; decision-making **Education:** Master of Management, National Sun Yat-sen University **Other major position:** Chairman, GERMAGIC **Experience:** President, MEDIA MLIFE INTERNATIONAL CO., LTD.; President, Jie-Yan-Jie-Neng Technology Co., Ltd.	0

LIEU, DER-MING	**Expertise:** International finance; investment principles; derivative financial products and financial engineering; company financial affairs management; measurement and control of the risks entailed in investment portfolio; qualified as a professor-level professional technician and possessing the professional competencies meeting the requirement of core items requisite for board membership diversity, including accounting, financial analysis, industrial knowledge, decision-making, sustainable management, and risk management. **Education:** Ph.D in economics, The Ohio State University **Other major position:** Incumbent adjunct professor (honorary professor) of the Department of Finance, National Sun Yat-sen University; Independent Director, Tung Ho Steel Enterprise Corp.; Independent Director, CSBC Corporation, Taiwan **Experience:** Former full-time professor of the Department of Finance, National Sun Yat-sen University;	2
HUANG, LAI-FU	**Expertise:** International finance; investment principles; derivative financial products and financial engineering; company financial affairs management; business administration; knowledge, decision-making, sustainable management, and risk management. **Education:** Master of Management, National Sun Yat-sen University **Other major position:** Incumbent member of the Investment Management Task Force, National Sun Yat-sen University **Experience:** Member of the Investment Management Task Force, National Sun Yat-sen University; Director, LIYU TECHNOLOGY CO., LTD.	0
LIN, YI CHANG	**Expertise:** Company financial accounting; internal audit; business administration; knowledge of the Industry; tax management; sustainable management; and risk management. **Education:** Master of Management, National Sun Yat-sen University **Other major position:** Advisor, PwC Taiwan; Independent Director, Ton Yi Industrial Corp. **Experience:** Managing partner, Kaohsiung Office, PwC Taiwan	2

Name	Independence status
Press Investment Co., Ltd. Representative: CHENG, TSAI-HSIN	1. Concurrently the legal representative of the Company's affiliates (wholly owned subsidiaries). 2. Chairman of the institutional shareholder Press Investment Co., Ltd. Which holds 7% or more of the Company's current outstanding shares. Aside from the description above, the person met the following independence evaluation criteria while in office and during the two years prior to being elected. 1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings. 2. Not an identified manager of the Company or its affiliate; not a director or supervisor of the Company or its affiliate; or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. 3. Not a director, supervisor, or employee of another company (1) whose chairman, president, or person holding an equivalent position is the Company's Chairman, President, or person holding an equivalent position, or a spouse thereof, or (2) whose majority board seats of voting shares are controlled by the person who controls a majority of the Company's board seats or voting shares (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company who have been appointed in accordance with this Act or laws of the registered country). 4. Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that, provided auditing services to the Company or any affiliate of the Company, or that provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years in exchange for compensation cumulatively exceeding NT$500,000 , or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 5. Not having a marital relationship, or a relative within the second degree of kinship to any other Director of the Company.

	6. Not been a person of any conditions defined in Article 30 of the Company Act. 7. Not a governmental, juridical person or its representative as defined under Article 27 of the Company Act.
Shun-Chih Investment Corp. Representative: YANG, YIN	The person concurrently serves as the Company's Vice President, i.e., serving double duties as the Company's director and the Company's manager. The person met the following independence evaluation criteria while in office and during the two years prior to being elected. 1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings. 2. Not an identified manager of the Company or its affiliate; not a director or supervisor of the Company or its affiliate; or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. 3. Not a Director, Supervisor or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 37 of the Company Act (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country). 4. Not a Director, Supervisor, or employee of a company with a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country). 5. Not a director, supervisor, or employee of another company (1) whose chairman, president, or person holding an equivalent position is the Company's Chairman, President, or person holding an equivalent position, or a spouse thereof, or (2) whose majority board seats or voting shares are controlled by the person who controls a majority of the Company's board seats or voting shares (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company who have been appointed in accordance with

	this Act or laws of the registered country). 6. Not a professional who provides audit or received no more than NT$500,000 in cumulative compensation in the last two years for commercial, legal, financial, or accounting services to the company or its affiliates, nor an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or organization that provides such services to the company or its affiliates; or the spouse of any of the above. provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 7. Not having a marital relationship, or a relative within the second degree of kinship to any other Director of the Company. 8. Not been a person of any conditions defined in Article 30 of the Company Act. 9. Not a governmental, juridical person or its representative as defined under Article 27 of the Company Act.
Yong-Si Asset Management Co., Ltd. Representative: CHEN, YUNG-LIN	The person met the following independence evaluation criteria while in office and during the two years prior to being elected. 1. Not an employee of the Company or any of its affiliates; 2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings. 3. Not an identified manager of the Company or its affiliate; not a director or supervisor of the Company or its affiliate; or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. 4. Not a Director, Supervisor or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 37 of the Company Act (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country).

	5. Not a Director, Supervisor, or employee of a company with a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country). 6. Not a director, supervisor, or employee of another company (1) whose chairman, president, or person holding an equivalent position is the Company's Chairman, President, or person holding an equivalent position, or a spouse thereof, or (2) whose majority board seats or voting shares are controlled by the person who controls a majority of the Company's board seats or voting shares (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company who have been appointed in accordance with this Act or laws of the registered country). 7. Not a professional who provides audit or received no more than NT$500,000 in cumulative compensation in the last two years for commercial, legal, financial, or accounting services to the company or its affiliates, nor an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or organization that provides such services to the company or its affiliates; or the spouse of any of the above. provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 8. Not having a marital relationship, or a relative within the second degree of kinship to any other Director of the Company. 9. Not been a person of any conditions defined in Article 30 of the Company Act. 10. Not a governmental, juridical person or its representative as defined under Article 27 of the Company Act.
CHUANG, YU-KU	The person met the following independence evaluation criteria while in office and during the two years prior to being elected. 1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings. 2. Not an identified manager of the Company or its affiliate; not a director or supervisor of the Company or its affiliate; or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a

	natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. 3. Not a Director, Supervisor or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 37 of the Company Act (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country). 4. Not a Director, Supervisor, or employee of a company with a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country). 5. Not a director, supervisor, or employee of another company (1) whose chairman, president, or person holding an equivalent position is the Company's Chairman, President, or person holding an equivalent position, or a spouse thereof, or (2) whose majority board seats or voting shares are controlled by the person who controls a majority of the Company's board seats or voting shares (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company who have been appointed in accordance with this Act or laws of the registered country). 6. Not a professional who provides audit or received no more than NT$500,000 in cumulative compensation in the last two years for commercial, legal, financial, or accounting services to the company or its affiliates, nor an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or organization that provides such services to the company or its affiliates; or the spouse of any of the above. provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 7. Not having a marital relationship, or a relative within the second degree of kinship to any other Director of the Company. 8. Not been a person of any conditions defined in Article 30 of the Company Act.

	9. Not a governmental, juridical person or its representative as defined under Article 27 of the Company Act.
LIEU, DER-MING	The person met the following independence evaluation criteria while in office and during the two years prior to being elected. 1. Not an employee of the Company or any of its affiliates; 2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings. 3. Not an identified manager of the Company or its affiliate; not a director or supervisor of the Company or its affiliate; or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. 4. Not a Director, Supervisor or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 37 of the Company Act (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country). 5. Not a Director, Supervisor, or employee of a company with a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country). 6. Not a director, supervisor, or employee of another company (1) whose chairman, president, or person holding an equivalent position is the Company's Chairman, President, or person holding an equivalent position, or a spouse thereof, or (2) whose majority board seats or voting shares are controlled by the person who controls a majority of the Company's board seats or voting shares (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company who have been appointed in accordance with this Act or laws of the registered country). 7. Not a professional who provides audit or received no more than NT$500,000 in cumulative compensation in the last

	two years for commercial, legal, financial, or accounting services to the company or its affiliates, nor an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or organization that provides such services to the company or its affiliates; or the spouse of any of the above. provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 8. Not having a marital relationship, or a relative within the second degree of kinship to any other Director of the Company. 9. Not been a person of any conditions defined in Article 30 of the Company Act. 10. Not a governmental, juridical person or its representative as defined under Article 27 of the Company Act.
HUANG, LAI-FU	The person met the following independence evaluation criteria while in office and during the two years prior to being elected. 1. Not an employee of the Company or any of its affiliates; 2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings. 3. Not an identified manager of the Company or its affiliate; not a director or supervisor of the Company or its affiliate; or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. 4. Not a Director, Supervisor or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 37 of the Company Act (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country). 5. Not a Director, Supervisor, or employee of a company with a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (this restriction does not apply to independent

	directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country). 6. Not a director, supervisor, or employee of another company (1) whose chairman, president, or person holding an equivalent position is the Company's Chairman, President, or person holding an equivalent position, or a spouse thereof, or (2) whose majority board seats or voting shares are controlled by the person who controls a majority of the Company's board seats or voting shares (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company who have been appointed in accordance with this Act or laws of the registered country). 7. Not a professional who provides audit or received no more than NT$500,000 in cumulative compensation in the last two years for commercial, legal, financial, or accounting services to the company or its affiliates, nor an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or organization that provides such services to the company or its affiliates; or the spouse of any of the above. provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 8. Not having a marital relationship, or a relative within the second degree of kinship to any other Director of the Company. 9. Not been a person of any conditions defined in Article 30 of the Company Act. 10. Not a governmental, juridical person or its representative as defined under Article 27 of the Company Act.
LIN, YI CHANG	The person met the following independence evaluation criteria while in office and during the two years prior to being elected. 1. Not an employee of the Company or any of its affiliates; 2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings. 3. Not an identified manager of the Company or its affiliate; not a director or supervisor of the Company or its affiliate; or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held

	by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. 4. Not a Director, Supervisor or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 37 of the Company Act (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country). 5. Not a Director, Supervisor, or employee of a company with a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with local laws or laws of the registered country). 6. Not a director, supervisor, or employee of another company (1) whose chairman, president, or person holding an equivalent position is the Company's Chairman, President, or person holding an equivalent position, or a spouse thereof, or (2) whose majority board seats or voting shares are controlled by the person who controls a majority of the Company's board seats or voting shares (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company who have been appointed in accordance with this Act or laws of the registered country). 7. Not a professional who provides audit or received no more than NT$500,000 in cumulative compensation in the last two years for commercial, legal, financial, or accounting services to the company or its affiliates, nor an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or organization that provides such services to the company or its affiliates; or the spouse of any of the above. provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 8. Not having a marital relationship, or a relative within the second degree of kinship to any other Director of the Company. 9. Not been a person of any conditions defined in Article 30 of the Company Act. 10. Not a governmental, juridical person or its representative as defined under Article 27 of the Company Act.

(4) Board Diversity and Independence:

1、 Board Diversity

To quote Article 20 of the Company's “Corporate Governance Best Practice Principles”: The board of directors shall have a structure consisting of at least five members, subject to the management and development scale of the Company and the shareholding status of major shareholders, taking into account practical operational needs. The composition of the board of directors shall be determined by taking diversity into consideration; the board of directors shall formulate an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. Board members shall possess the knowledge, skills, and literacy requisite for their performing their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

(a) Ability to make sound business judgments. (b) Ability to perform accounting and financial analysis. (c) Ability to manage a business. (d) Ability to manage crisis. (e) Knowledge of the industry. (f) An international market perspective. (g) Leadership. (h) Decision-making ability.

The incumbent Board of Directors was elected in the generation election in 2022 and is composed of seven directors (including three independent directors) who possess the expertise and exceptional experience in the electronics industry, professional marketing, business administration, financial management, international finance, and investment. Among the directors, one is a female director and 14% is concurrently an employee.

Core diversity items / Name of director	Basic composition								Industry experience				Professional competency		
	Nationality	Gender	Whether the person is concurrently a shareholder	Age			Term of office of independent director								
				Aged 45~55	Aged 56~65	Age 65 and over	Below 3 years	6 to 9 years	Professional service and marketing	Financial affairs and finance	Commerce and supply	IT	Law	Accounting	Risks Management
CHENG, TSAI-HSIN	Republic of China	M	✓		✓		Non-independent director		✓	✓	✓	✓	○	○	✓
YANG, YIN	Republic of China	F	✓	✓					✓	○	✓	✓	○	○	✓
CHEN, YUNG-LIN	Republic of China	M	×			✓			○	✓	○	○	○	✓	✓
CHUANG, YU-KU	Republic of China	M	✓	✓					✓	○	✓	✓	○	○	✓
LIEU, DER-MING	Republic of China	M	×			✓		✓	○	✓	○	○	○	✓	✓
HUANG, LAI-FU	Republic of China	M	×			✓		✓	○	✓	○	○	○	✓	✓
LIN, YI CHANG	Republic of China	M	×		✓		✓		○	✓	○	○	○	✓	✓

Note: ✓ denotes full ability; ○ denotes partial ability.

Below are the concrete management objectives underlying the board diversity policy, and the status of achievement of such objectives:

Management objectives	Status of achievement
The number of directors who are also an employee of the Company shall not exceed one third of the total number of directors.	Achieved
Board of Directors members shall comprise at least one female director.	Achieved
An independent director shall not serve for more than three terms.	Yet to be achieved

2. Board independence

Currently the Company's Board of Directors sits seven directors, of whom three are independent directors, accounting for roughly 43% of total number of director seats. As of the end of 2022, all independent directors met the requirements of the Securities and Futures Bureau (SFC) of the Financial Supervisory Commission (FSC), and directors and independent directors did not have any of the types of relationship set forth in Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act. The state of independence of the Company's independent directors is stated in "Disclosure of Professional Qualifications of Directors and Independence of Independent Directors" in the previous paragraph; no director is a spouse or a relative within the second degree of kinship of another director. For each director's experience, education, gender, and work experience, please see "Profile of directors" on p.13 of this annual report.

Title of director	Name of director	Proportion of independent directors	Whether the director is a spouse or relative within the second degree of kinship to another director
Chairman	CHENG, TSAI-HSIN	57%	Not a spouse or a relative within the second degree of kinship to another director.
Director	YANG, YIN		Not a spouse or a relative within the second degree of kinship to another director.
Director	CHEN, YUNG-LIN		Not a spouse or a relative within the second degree of kinship to another director.
Director	CHUANG, YU-KU		Not a spouse or a relative within the second degree of kinship to another director.
Independent Director	LIEU, DER-MING	43%	Not a spouse or a relative within the second degree of kinship to another director.
Independent Director	HUANG, LAI-FU		Not a spouse or a relative within the second degree of kinship to another director.
Independent Director	LIN, YI CHANG		Not a spouse or a relative within the second degree of kinship to another director.

(II) Profile of President, Vice Presidents, Assistant Vice Presidents, and Department Directors:

April 20, 2024

Title (Note 1)	Nationality	Gender	Name	Elected (Appointed) Date	Shareholding		Shares held by spouse and underage children		Shareholding by nominee arrangement		Education/work experience(Note 2)	Current job position in other companies	Managerial officer who is a spouse or a relative within second degree			Remark (Note 3)
					No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)	No. of shares	Shareholding Ratio (%)			Title	Name	Relationship	
President	Republic of China	M	HUANG, MENG-I	2005.07.01	286,909	0.36	55,360	0.07	0	0	Director, LaserTek Taiwan Co., Ltd. Master of Management, National Sun Yat-sen University	None	None	None	None	None
Vice President	Republic of China	M	HSIUNG, HSUEH-YI	2011.04.01	227,031	0.28	20,902	0.03	0	0	Engineer, WUS Printed Circuit Co., Ltd. Master of Marketing, Kaohsiung First University of Science and Technology	None	None	None	None	None
Vice President	Republic of China	F	YANG, YIN	2018.03.06	2,000	0.00	0	0	0	0	Deputy Manager, Taiwan Kuroda Electric Co., Ltd. Master of Management, National Sun Yat-sen University	None	None	None	None	None
Chief Financial Officer	Republic of Chin	F	TANG, CHING-LING	2007.03.01	317	0.00	34,200	0.04	0	0	KPMG Department of Accountancy, National Cheng Kung University	None	None	None	None	None
Chief Auditor	Republic of China	M	CHEN, HSUAN-YU	2011.11.29	0	0	0	0	0	0	Chief Auditor, STAR WORLD TECHNOLOGY CORPORATION Master of Management, National Sun Yat-sen University	None	None	None	None	None

Note 1: The information in this table should be disclosed for the president, vice presidents, assistant vice presidents, and the chiefs of all the company's divisions and branch units, including all persons in positions equivalent to president, vice presidents, assistant vice presidents, regardless of job title.

Note 2: Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attester, specify the position held and the duties for which the person was responsible.

Note 3: If the president or person of an equivalent post (the highest level manager) and the chairperson of the board of directors are the same person, spouse, or a relative within the first degree of kinship to the other, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

III. Remunerations to directors, supervisors, president, and vice presidents in the most recent year:

1. Remuneration of Directors and Independent Directors

Unit: NT$1,000

Title	Name	Director's remuneration								Ratio of total compensation (A+B+C+D) and to net profit after tax (%) (note 10)		Pay received as an employee										Ratio of total (A), (B), (C), (D), (E), (F) and (G) to after-tax profit (Note 10)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 11)
		Remuneration (A) (Note 2)		Severance pay and pension (B)		Director's remuneration (C) (Note 3)		Business expense (D) (Note 4)				Salary, bonus and special allowance (E) (Note 5)		Severance pay and pension (F)		Remuneration of employees (G) (Note 6)				Number of shares underlying employee stock warrants (H) (Note 7)		Number of restricted stock awards acquired (I) (Note 13)				
																The Company		All companies in the financial statements (Note 8)								
		The Company	All companies in the financial statements (Note 8)	The Company	All companies in the financial statements (Note 8)	The Company	All companies in the financial statements (Note 8)	The Company	All companies in the financial statements (Note 8)	The Company	All companies in the financial statements (Note 8)	The Company	All companies in the financial statements (Note 8)	The Company	All companies in the financial statements (Note 8)	Cash value	Share value	Cash value	Share value	The Company	All companies in the financial statements (Note 8)	The Company	All companies in the financial statements (Note 8)	The Company	All companies in the financial statements (Note 8)	
Director	Press Investment Co., Ltd.	0	0	0	0	3,551	3,551	0	0	3,551 2.45 %	3,551 2.45 %	0	0	0	0	0	0	0	0	0	0	0	0	3,551 2.45%	3,551 2.45%	None
Chairman	CHENG, TSAI-HSIN	0	0	0	0	0	0	0	0	0	0	0	7,204	0	0	0	0	3,000	0	0	0	0	0	0	10,204 7.04%	None
Director	Shun-Chih Investment Corp.	0	0	0	0	2,650	2,650	0	0	2,650 1.83 %	2,650 1.83 %	0	0	0	0	0	0	0	0	0	0	0	0	2,650 1.83%	2,650 1.83%	None
Director representative	YANG, YIN	0	0	0	0	0	0	0	0	0	0	1,966	2,844	0	0	0	0	1,000	0	0	0	0	0	1,966 1.36%	3,844 2.65%	None
Director	Yong-Si Asset Management Co., Ltd.	0	0	0	0	250	250	0	0	250 0.17%	250 0.17%	0	0	0	0	0	0	0	0	0	0	0	0	250 0.17%	250 0.17%	None
Director representative	CHEN, YUNG-LIN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Director	CHUANG, YU-KU	0	0	0	0	250	250	0	0	250 0.17 %	250 0.17 %	0	0	0	0	0	0	0	0	0	0	0	0	250 0.17%	250 0.17%	None
Independent Director	LIN, YI CHANG	0	0	0	0	250	250	0	0	250 0.17%	250 0.17%	0	0	0	0	0	0	0	0	0	0	0	0	250 0.17%	250 0.17%	None

Independent Director	LIEU, DER-MING	0	0	0	0	250	250	0	0	250 0.17%	250 0.17%	0	0	0	0	0	0	0	0	0	0	0	0	250 0.17%	250 0.17%	None
Independent Director	HUANG, LAI-FU	0	0	0	0	250	250	0	0	250 0.17 %	250 0.17 %	0	0	0	0	0	0	0	0	0	0	0	0	250 0.17%	250 0.17%	None

1. Please describe the policy, system, standards and structure of the compensation of the Independent Directors and explain the relevance of the amount of remuneration paid to them based on factors such as responsibility, risk and time commitment:

As set forth in the Company's Articles of Incorporation, remuneration to independent directors of the Company shall constitute a part of distribution of director remuneration, and shall be proposed by the Remuneration Committee, which shall establish a reasonable and fair correlation of performance and risk with remuneration by looking at each independent director's extent of participation in the Company's operations and value of contribution to the Company. It is advised that the Board of Directors authorize itself to determine such remuneration by referencing the Remuneration Committee's suggestions and by looking at the industry standards. Net profit after tax this year declined from last year; therefore, independent directors' average remuneration reduced from last year, which should be considered reasonable.

2. Except as disclosed above, remuneration received by directors in the most recent year for services rendered to all companies in the financial statements (e.g. acting as an non-employee consultant to parent company/all companies in the financial statements/investees): N/A.

Range of remuneration paid to individual directors	Name of director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial statements (Note 9)	The Company (Note 8)	All companies in the financial statements (Note 9)
Below NT$1,000,000	LIEU, DER-MING; HUANG, LAI-FU; CHEN, YUNG-LIN; Yong-Si Asset Management Co., Ltd.; CHENG, TSAI-HSIN; YANG, YIN; CHUANG, YU-KU; LIN, YI CHANG	LIEU, DER-MING; HUANG, LAI-FU; CHEN, YUNG-LIN; Yong-Si Asset Management Co., Ltd.; CHENG, TSAI-HSIN; YANG, YIN; CHUANG, YU-KU; LIN, YI CHANG	CHENG, TSAI-HSIN; LIEU, DER-MING; HUANG, LAI-FU; CHEN, YUNG-LIN; Yong-Si Asset Management Co., Ltd.; CHUANG, YU-KU; LIN, YI CHANG	LIEU, DER-MING; HUANG, LAI-FU; CHEN, YUNG-LIN; Yong-Si Asset Management Co., Ltd.; CHUANG, YU-KU; LIN, YI CHANG
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)	0	0	YANG, YIN	0
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)	Shun-Chih Investment Corp.	Shun-Chih Investment Corp.	Shun-Chih Investment Corp.;	Shun-Chih Investment Corp.
NT$3,500,000 (inclusive) to NT$5,000,000 (exclusive)	Press Investment Co., Ltd.	Press Investment Co., Ltd.	Press Investment Co., Ltd.	Press Investment Co., Ltd.; YANG, YIN
NT$5,000,000 (inclusive)～NT$10,000,000 (exclusive)	0	0	0	0
NT$10,000,000 (inclusive)～NT$15,000,000 (exclusive)	0	0	0	CHENG, TSAI-HSIN
NT$15,000,000 (inclusive)～NT$30,000,000 (exclusive)	0	0	0	-
NT$30,000,000 (inclusive)～NT$50,000,000 (exclusive)	0	0	0	-
NT$50,000,000 (inclusive) to NT$100,000,000 (exclusive)	0	0	0	-
Greater than NT$100,000,000	0	0	0	-
Total	10 persons	10 persons	10 persons	10 persons

Note 1: The name of each director shall be stated separately (for an institutional shareholder, the names of the institutional shareholder and its representative shall be stated separately) and the names of the ordinary directors and independent directors shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a president or vice president, please complete this Table and Table 3-1 or Tables 3-2.

Note 2: Remuneration to Directors in the most recent year (include Director salary, additional duty payments, severance pay, various bonuses, or incentive payments).

Note 3: Please fill in the amount of director profit-sharing compensation approved by the board of directors for distribution for the most recent fiscal year.

Note 4: Refers to the related business expenses of Directors in the past year (including transportation allowance, special allowance, stipends, dormitory, and car). In case of housing, vehicle, and other transportation or exclusive individual expenditures, the nature and costs, actual rents or those calculated based on fair market prices, gas fees, and other payments of the assets provided must be disclosed. If a chauffeur is provided, please note the relevant compensation paid by the Company, but exclude the remuneration.

Note 5: All payments to directors who are also employees of the Company (including the position of President, Vice President, other manager, and staff), including salary, additional pay, severance pay, bonuses, rewards, transportation allowance, special allowance, stipends, lodging, and vehicle. In case of housing, vehicle, and other transportation or exclusive individual expenditures, the nature and costs, actual rents

or those calculated based on fair market prices, gas fees, and other payments of the assets provided must be disclosed. If a chauffeur is provided, please note the relevant compensation paid by the Company, but exclude the remuneration. Salary expenses recognized in accordance with IFRS 2 Share-based Payment shall also include employee stock option certificates, restricted stock awards, and share subscription in capital increase by cash.

Note 6: This refers to employee profit-sharing compensation (including stocks and cash) received by a director for concurrent service as an employee in the most recent fiscal year (including concurrent service as president, vice president, other managerial officer, or non-managerial employee). Disclose the amount of profit-sharing compensation approved or expected to be approved by the board of directors for distribution for the most recent fiscal year. If the amount cannot be estimated, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Note 7: Disclose the total amount of remuneration in each category paid to the directors of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Disclose the names of the directors in the respective ranges into which they fall based on the total of the remuneration in the indicated categories paid to each director by the Company.

Note 9: Disclose the names of the directors in the respective ranges into which they fall based on the total of the remuneration in the indicated categories paid to each director of the Company by all companies in the consolidated financial report (including the Company).

Note 10: Net profit after tax means the net profit after tax on the financial report for the most recent fiscal year. If a company has adopted the International Financial Reporting Standards, net profit after tax means the net profit after tax indicated on the parent company only financial statements or individual financial statements for the most recent year.

Note 11: a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. If directors of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column J of the Remuneration Range Table, and the name of that column shall be changed to "Parent company and all investee enterprises."

c. Remuneration means remuneration received by directors of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

2. Remuneration to the president and vice presidents

Unit: NT$1,000

Title	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonus and special allowance (C) (Note 3)		Employee compensation (D)(Note 4)				Ratio of total compensation (A+B+C+D) and to net profit after tax (%) (note 8)		Remuneration from reinvestments other than subsidiaries or the parent company (Note 9)
								The Company		All companies in the financial report (Note 5)				
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	Cash value	Share value	Cash value	Share value	The Company	All companies in the financial statements	
President	HUANG, MENG-I	2,426	10,266	0	0	3,470	6,570	0	0	5,280	0	5,896 4.07%	22,116 15.25%	None
Vice President	HSIUNG, HSUEH-YI													
Vice President	YANG, YIN													

Note*: The 2022 earnings distribution proposal was passed by the Board of Directors but not yet approved by the shareholders' meeting.

Range of Remuneration Paid to the President and Vice Presidents of the Company	Name of President and Vice Presidents	
	The Company (Note 6)	All companies in the financial statements (Note 7)E
Below NT$1,000,000	-	-
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)	YANG, YIN; HSIUNG, HSUEH-YI	-
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)	HUANG, MENG-I	-
NT$3,500,000 (inclusive) to NT$5,000,000 (exclusive)	-	HSIUNG, HSUEH-YI; YANG, YIN
NT$5,000,000 (inclusive)～NT$10,000,000 (exclusive)	-	HUANG, MENG-I
NT$10,000,000 (inclusive)～NT$15,000,000 (exclusive)	-	-
NT$15,000,000 (inclusive)～NT$30,000,000 (exclusive)	-	-
NT$30,000,000 (inclusive)～NT$50,000,000 (exclusive)	-	-
NT$50,000,000 (inclusive) to NT$100,000,000 (exclusive)	-	-
Greater than NT$100,000,000	-	-
Total	3 persons	3 persons

Note 1: The name of each president and vice president shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a president or vice president, please complete this Table and Table 1-1 or Table 1-2 above.

Note 2: Please fill in the salary, additional pay, and severance pay received by the president or vice presidents in the past year.

Note 3: Please fill in the bonus, reward, transportation allowance, special allowance, stipends, dormitory, car and other payments received by the president or vice president in the past year. In case of housing, vehicle, and other transportation or exclusive individual expenditures, the nature and costs, actual rents or those calculated based on fair market prices, gas fees, and other payments of the assets provided must be disclosed. If a chauffeur is provided, please note the relevant compensation paid by the Company, but exclude the remuneration. Salary expenses recognized in accordance with IFRS 2 Share-based Payment shall also include employee stock option certificates, restricted stock awards, and share subscription in capital increase by cash.

Note 4: This refers to employee profit-sharing compensation (including stocks and cash) received by the president and vice presidents as approved or expected to be approved by the board of directors for the most recent fiscal year. If the amount cannot be estimated, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Net profit after tax means the net profit after tax on the financial report for the most recent fiscal year. If a company has adopted the International Financial Reporting Standards, net profit after tax means the net profit after tax indicated on the parent company only financial statements or individual financial statements for the most recent year.

Note 5: Disclose the total amount of remuneration paid to the president and vice presidents by all companies in the consolidated financial report (including the Company).

Note 6: Disclose the names of the president and vice presidents in the respective ranges into which they fall based on the total of the remuneration in the indicated categories paid to each president and vice president by the Company.

Note 7: Disclose the names of the president and vice presidents in the respective ranges into which they fall based on the total of the remuneration in the indicated categories paid to each president and vice president of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Net profit after tax refers to the net profit after tax indicated on the most recent parent company only financial report or individual financial report.

Note 9: a. In this column, specifically disclose the amount of remuneration received by the president and vice presidents of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state “None”).

b. If president and vice presidents of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column E of the Remuneration Range Table, and the name of that column shall be changed to “Parent company and all investee enterprises”.

c. Remuneration means remuneration received by the president and vice presidents of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

4. Managerial officer's name and the distribution of employee bonus

Unit: NT$1,000; 1,000 shares

Title		Name	Share value	Cash value	Total	Percentage of total bonuses to net profit after tax (%)
Manager:	President	HUANG, MENG-I	0	4,580	4,580	3.16%
	Vice President	HSIUNG, HSUEH-YI				
	Vice President	YANG, YIN				
	Assistant Vice President	SU, PO-NIEN				
	Assistant Vice President	TANG, CHING-LING				

Note: The proposal to distribute remuneration to employees was approved by the Board of Directors meeting dated March 14, 2024 through a resolution but is yet to be distributed. The amount of cash dividends to be distributed to each manager was determined in proportion to the amount distributed to each of them in the previous year

5. Name of the 10 highest remunerated personnel and details of distribution (earnings of 2022 received as employee bonus in 2023)

Unit: NT$1,000; 1,000 shares

Title	Name	No. of shares	Cash
President	HUANG, MENG-I	0	6,230
Vice President	HSIUNG, HSUEH-YI		
Vice President	YANG, YIN		
Assistant Vice President	SU, PO-NIEN		
Assistant Vice President	TANG,CHING-LING		
Manager	YU-TING HUANG		
Manager	CHEN,SUAN-YOU		
Section chief	CHEN,RUEI-FONG		
Section chief	CHEN,NAI-HUA		
Engineer	CHAN,CHENG-HAO		

(IV) Comparison and analysis of remunerations paid by the Company and all companies in the consolidated financial report in the last two years to directors, supervisors, president, and vice presidents as a percentage of net profit after tax and description of the policy, standards and packages of remunerations, procedure for making such decision and relation to business performance and future risks:

1. Analysis of the ratio of remuneration to net profit after tax:

Item	Ratio of total remuneration to net profit after tax (%)			
	2023		2022	
	The Company	Consolidated	The Company	The Company
Director	5.00%	5.00%	5.00%	5.00%
President and vice presidents	3.12%	3.16%	3.65%	3.65%

Note: The 2023remuneration distribution proposal was passed by the Board of Directors but not yet to be reported at the shareholders' meeting.

2. The policies and standards of paying remunerations, and packages of remuneration; the procedure for making such decisions; and relation to business performance and future risks:

(1) Remuneration to directors and supervisors: Article 32-1 of the Company's Articles of Incorporation specifies that the Company may allocate no greater than 5% of the earnings of a year as remuneration to directors and supervisor; Article 26 of the Company's Articles of Incorporation further authorizes the Board of Directors to determine such remuneration by considering the board of directors performance evaluation results of the year, each individual director's contribution to the Company, and the level of remuneration prevailing in the industry. The Company regularly evaluates the performance of directors by its "Rules for Performance Evaluation of Board of Directors", which comprises the performance evaluation criteria including extent of participation in the Company's operations, decision-making quality of the Board of Directors, composition and structure of the Board of Directors, and management of the internal control system.

The reasonableness of director remuneration was reviewed and approved by the Remuneration Committee and the Board of Directors. The allocation of employees' and Directors' remuneration shall be reported to the shareholders' meeting. However, if the Company still has cumulative losses, an equivalent amount shall be reserved in the first place to compensate for such cumulative losses before employee remuneration and director remuneration may be distributed in the proportion mentioned in the preceding paragraph.

(2) Remunerations to President and Vice President: Remuneration paid by the Company to its president and vice presidents is based on its internal regulations for salary and the results of evaluation of their contribution to the Company. The evaluation of contribution to the Company considers the scope of duties assigned to their position and references their contribution to the Company's business goals, in order to determine the payment of remuneration. The procedures for determining remuneration consider not only the Company's overall business performance (e.g., the growth and achievement of operating revenue and net income after taxes) but also each individual personnel and department's performance achievement rate and extent of contribution to the Company (e.g., development of new products, new processes, new customers, or new industrial markets), in order to provide reasonable compensation; the said considerations plus any extraordinary merit of the year will be referenced for adjustment of salary and allocation of bonus. Payment will be made only after the proposal to adjust salary and allocate bonus is discussed and approved by the Company's Remuneration Committee and submitted to and approved by the Board of Directors thereafter.

(3) Correlation of remuneration payment with business performance and future risks: Remuneration paid by the Company to its directors, supervisors, president, and vice presidents is drafted in accordance with the Company's Articles of Incorporation and personnel regulations. Major payment principles, which were formulated to reflect the said person's duties, contribution to the Company, and performance achievement, and payment standard prevailing in the industry, positively correlate with business performance. In addition, the Company also regularly reviews its remuneration system to reflect actual business conditions, regulatory changes, and industry ups and downs, to strike a balance between risks and rewards. Therefore, risks in the future should be quite limited.

IV. Implementation of corporate governance

(I) Operation of the Board of Directors:

A total of 8 (A) meetings of the Board of Directors were held in the past year (i.e., 2023) and in the current year up to the publication date of this annual report. The status of attendance is presented as follows:

Title	Name	Attendance (voting and non-voting) in person (B)	Attendance by proxy	In-person attendance rate (%) [B/A] (Note 3)	Note
Chairman	Press Investment Co., Ltd. Representative: CHENG, TSAI-HSIN	8	0	100.00%	
Director	Shun-Chih Investment Corp. Representative: YANG, YIN	8	0	100.00%	
Director	Yong-Si Asset Management Co., Ltd. Representative: CHEN, YUNG-LIN	8	0	100.00%	
Director	CHUANG, YU-KU	8	0	100.00%	
Independent Director	LIEU, DER-MING	8	0	100.00%	
Independent Director	HUANG, LAI-FU	8	0	100.00%	
Independent Director	LIN, YI CHANG	8	0	100.00%	

Note 1: The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

Note 2: For a director or supervisor that is an institution, disclose the name of the institutional shareholder and the name of its representative.

Note 3:

(1) If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.

(2) If any by-election of directors or supervisors was held before the end of the fiscal year, the names of the successor director and predecessor directors and supervisors should be filled in the table, with a note in the Remark column stating whether the director or supervisor is a successor, predecessor, or re-elect, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

Other matters that require reporting:

I. Should any of the following take place in a board meeting, the date and number of the meeting, the content of proposal, Independent Director's opinions and the Company's response to such opinions should be recorded:

(1) Matters listed in Article 14-3 of the Securities and Exchange Act:

Board of Directors meeting date	Agenda item	Objection or qualified opinion from independent director	Response of the Company to the independent director opinion(s):
1st meeting in 2023 2023/01/10	1. Proposal on investment in "Zhunsheng Innovative Investment CO., LTD."	None	N/A
2nd meeting in 2023 2023/03/24	1. Discussion of the distribution of remuneration to employees, directors, and supervisors of 2022. 2. Proposal to replace the financial report attesting CPAs. 3. To assess the independence and competence of appointed CPA.	None	N/A
5Th meeting in 2023 2023/11/09	1. Proposal to acquire 10% of shares in Jie-Yan-Jie-Neng Technology Co., Ltd.	None	N/A
2nd meeting in 2024 2024/03/14	1. Discussion of the distribution of remuneration to employees, directors, and supervisors of 2022. 2. To assess the independence and competence of appointed CPA. 3. To revise the Company's Management Procedures for Convening Audit Committee Meetings, internal control system, and rules for enforcement of internal audit.	None	N/A

(2) Aside from the above matters, other resolutions adopted by the board of directors to which an independent director has expressed objections or qualified opinions on record or in writing: In 2023 and in the current year up to the publication date of this annual report, the Company did not adopt any resolution on which an independent director has a dissenting or qualified opinion that is on record or stated in a written statement.

II. When there are recusals of directors due to conflicts of interests, names of the directors, contents of resolutions, reasons of recusal, and voting participation should be stated:

(1) The 1st Board of Directors' meeting in 2023 (January 10, 2023):
Name of director: YANG, YIN
Agenda item: Discussed the Remuneration Committee's proposal on the Company's "Amount of year-end bonus for managers of 2022 and "Amount of adjusted salary of Managers of 2023."
Reason for recusal: This case is related toDirector YANG, YIN's interests, so she has recused herself from participating in the discussions and voting.

(2) The 2nd Board of Directors' meeting in 2023 (March 24, 2023):
Name of director: CHENG, TSAI-HSIN; YANG, YIN; CHEN, YUNG-LIN; CHUANG, YU-KU
Agenda item: Discussion of the distribution of remuneration to employees, directors, and supervisors of 2022.
Reason for recusal: This case is related toDirectors TSAI-HSIN; YANG, YIN; CHEN, YUNG-LIN; and CHUANG, YU-KU's interests, so they have recused themselves from participating in discussions and voting.

(3) The 4th Board of Directors' meeting in 2023 (August 8, 2023):
Name of director: YANG, YIN
Agenda item: The Company's Remuneration Committee has resolved to approve the rules for distribution of employee remuneration to managers of 2022, and remuneration to directors and supervisors.
Reason for recusal: This case is related toDirector YANG, YIN's interests, so she has recused herself from participating in the discussions and voting.

(4) The 1st Board of Directors' meeting in 2024 (January 25, 2024):
Name of director: YANG, YIN
Agenda item: The Company's Remuneration Committee has proposed the "Amount of year-end bonus for managers of 2023 and "Amount of adjusted salary of Managers of 2024."
Reason for recusal: This case is related toDirector YANG, YIN's interests, so she has recused herself from participating in the discussions and voting.

(5) The 2nd Board of Directors' meeting in 2024 (March 14, 2024):
Name of director: CHENG, TSAI-HSIN; YANG, YIN; CHEN, YUNG-LIN; CHUANG, YU-KU
Agenda item: Discussion of the distribution of remuneration to employees, directors, and supervisors of 2023.
Reason for recusal: This case is related toDirectors TSAI-HSIN; YANG, YIN; CHEN, YUNG-LIN; and CHUANG, YU-KU's interests, so they have recused themselves from participating in discussions and voting.

III. Implementation of self-evaluation carried out by the Board of Directors:

To implement corporate governance and improve the efficiency of Board operation, the Company's Board of Directors meeting dated August 8, 2018 formulated the "Rules for Performance Evaluation of Board of Directors", whereby the Finance Department, the unit in charge of Board of Directors meetings, records the implementation status by criteria category, multiplies the scores by given weights to obtain the weighted average scores, and reports the scoring results at a Board of Directors meeting at the end of each year. In addition, Board of Directors members also conduct a self-evaluation, whose results were tallied, summarized, and reported before the end of Q1 in the following year to the Board of Directors for submission of the performance evaluation results. The 2023 performance evaluation results of the Board of Directors, individual Board members, Compensation Committee, and Audit Committee, have been reported to the Board of Directors' meetings on January 25, 2024, and March 14, 2024.

Implementation of the Performance Evaluation of the Board of Directors

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Once every year	Sunday, January 1, 2023 through Sunday, December 31, 2023.	Individual Board members	Self-evaluation of Board members	Mastery of Company goals and duties, awareness of director responsibilities, degree of participation in Company operations, profession and continuing education of directors, internal control, etc.
		Board of Directors	Self-evaluation of Board meetings	Level of participation in the Company's operations; improving the quality of board decision-making; board composition and structure; appointment of directors and their continuing studies; and internal controls.
		Compensation Committee	Self-evaluation of the Compensation Committee	Degree of participation in the Company's operations, awareness of duties of the functional committee, enhancement in decision-making quality of the functional committee, composition and selection of members, internal control, etc.
		Audit Committee	Self-evaluation of the Audit Committee	Degree of participation in the Company's operations, awareness of duties of the functional committee, enhancement in decision-making quality of the functional committee, composition and selection of members, internal control, etc.

IV. Programs this year and in the most recent year for strengthening the functionality of the Board (for example, setting up an auditing committee, improving transparency, etc.) and assessment of execution:

(I) The Company established the Compensation Committee on December 22, 2011, and the Audit Committee on June 24, 2022, to assist the Board of Directors in improving its operations. All proposals submitted to the Board of Directors for resolution by the functional committees in accordance with laws and regulations have all been approved by the committees, and are implemented upon resolution from the Board.

(II) On August 12, 2021, pursuant to the Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Board of Directors of TPEx Listed Companies, the Company has proposed to and obtained approval from the Board of Directors to set up the "Corporate Governance Officer", a role which will be concurrently served by Senior Manager TANG, CHING-LING from the Finance Department. The main responsibilities of the role includes: 1. Handling of matters relating to board meetings and shareholders meetings in accordance with law. 2. Preparation of minutes of board meetings and shareholders meetings. 3. Provision of assistance in onboarding and continuing education of the directors. 4. Provision of information required for the performance of duties by the directors. 5. Provision of assistance to the directors in complying with laws and regulations. 6. Review of whether the qualifications of the independent directors comply with relevant laws, regulations, rules, and bylaws. 7. Handling of matters relating to changes in directors. 8. Other matters specified by the Articles of Incorporation or by contract.

(III) Pursuant to the Financial Supervisory Commission’s announcement on January 28, 2022 to amend some articles of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, the Company’s Board of Directors passed a resolution on March 23, 2022 to amend the “Procedure for the Acquisition or Disposal of Assets”, and the amendment was submitted to and approved by the shareholders' meeting on June 24, 2022.

(IV) Pursuant to the Financial Supervisory Commission’s announcement on January 28, 2022 to amend some articles of the Regulations Governing the Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the Company’s Board of Directors passed a resolution on March 23, 2022 to amend the “Procedure for the Loaning of Funds and Making of Endorsements/Guarantees”, and the amendment was submitted to and approved by the shareholders' meeting on June 24, 2022.

(V) Pursuant to the Taipei Exchange's announcement on March 11, 2022 to amend some articles of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, the Company's Board of Directors passed a resolution on November 9, 2022 to amend the "Corporate Governance Best-Practice Principles".

(VI) Pursuant to the Taipei Exchange's announcement on December 13, 2021 to amend some articles of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies, the Company's Board of Directors passed a resolution on November 9, 2022 to amend certain articles and to rename the "Corporate Social Responsibility Best Practice Principles" as the "Sustainable Development Best Practice Principles" to align with international trends and ensure that actual operations comply with regulations to achieve the goal of sustainable development, as well as to strengthen the Company's promotion of sustainable development.

(VII) Pursuant to the Financial Supervisory Commission’s announcement on January 15, 2020 to amend some articles of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, the Company’s Board of Directors passed a resolution on March 23, 2022 to amend the “Rules of Procedure for the Board of Directors' Meetings” to strengthen corporate governance.

(VIII) The Company is continuing to update our corporate website and to update relevant information in order to enhance information transparency.

Implementation of evaluation:

The Company's Board of Directors, individual directors, and functional committees are all operating in good conditions, and the evaluation results are all above satisfactory. The Company adheres to the principle of ethical corporate management and continues to improve the functions of the Board based on the performance evaluation results in order to enhance the effectiveness of corporate governance.

(II) Operation of the Audit Committee:

1. Audit Committee's responsibilities and key tasks in 2023
   (1) Adoption or amendment of an internal control system pursuant to Article 14-1.
   (2) Assessment of the effectiveness of the internal control system.
   (3) Adoption or amendment, pursuant to Article 36-1, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
   (4) A matter bearing on the personal interest of a director.
   (5) A material asset or derivatives transaction.
   (6) A material monetary loan, endorsement, or provision of guarantee.
   (7) The offering, issuance, or private placement of any equity-type securities.
   (8) The hiring or dismissal of an attesting CPA, or the compensation given thereto.
   (9) The appointment or discharge of a financial, accounting, or internal auditing officer.
   (10) Q2 financial reports and annual financial reports. Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the Chairman & C.E.O, manager, and accounting officer.
   (11) Any other material matter so required by the Company or the competent authority.
2. A total of 6 (A) meetings of the Audit Committee were held in the past year (i.e., 2023) and in the current year up to the publication date of this annual report. The status of independent directors' attendance is presented as follows:

Title	Name	Attendance in person (B)	In-person attendance rate (%) [B/A] (Note 1)	Note
Independent Director	LIEU, DER-MING	6	100.00%	For professional qualifications, please refer to pages 15 to 16
Independent Director	HUANG, LAI-FU	6	100.00%	
Independent Director	LIN, YI CHANG	6	100.00%	

Other matters that require reporting:

I. The date of the Audit Committee meeting, the term, contents of the proposals, dissenting or qualified opinions given by independent directors or contents of major proposed items, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be recorded under the following circumstances in the operations of the Audit Committee meeting:
   (I) Matters listed in Article 14-5 of the Securities and Exchange Act:
   A total of 6 Audit Committee meetings were convened in 2023 and in the current year as of the publication date of the Annual Report. The resolutions are as set out in Table 1. The Audit Committee have all agreed to pass the matters specified in Article 14-5 of the Securities and Exchange Act accordingly.
   (II) Aside from the above matters, other resolutions that are passed by a two-thirds majority or more of the board of directors but without being passed by the Audit Committee: N/A for 2023.

II. When there are recusals of independent directors due to conflicts of interests, names of the independent directors, contents of resolutions, reasons of recusal, and voting participation should be stated: N/A for 2023.

III. Independent directors' communication with internal auditors and CPAs (shall include major matters, methods, and results of communication regarding the Company's financial position and business operations):
   (I) Internal audit personnel periodically report to independent directors on the status of implementation of internal control, and on the internal audit results.
   (II) The Company's CPAs report the financial statement audit or review results to the Independent Directors at the Audit Committee meetings from time to time; in addition to other communication matters required by relevant laws and regulations. In case of special circumstances, the Audit Committee will also be notified immediately.
   (III) Independent directors regularly review CPAs-attested financial reports and issue an Audit Committee's Review Report; independent directors will communicate with CPAs at any time if any issue arises. CPAs also periodically verify the Company's financial standing, business performance, and non-recurring material events against the sayings or response letter provided by independent directors, and report on the same to independent directors.
   (IV) A summary of the communications between the Company's Audit Committee with the internal audit supervisor and the CPAs in 2023 and in the current year as of the date of publication of the Annual Report is shown in Tables 2 and 3.

Table 1:

Date of Audit Committee Meetings	Agenda item	Objection or qualified opinion from independent director	Resolutions of the Audit Committee	The Company's handling of the Audit Committee's opinions
3rd meeting of the 1st term 2023/3/24	1. The Company’s 2022 business report, individual financial statements, and consolidated financial statements. 2. Proposal to replace the financial report attesting CPAs (due to job rotations in the CPA's accounting firm). 3. The Company’s 2022 Earnings Distribution Table. 4. Assessment of the independence of the Company's financial report attesting CPAs. 5. The Company's intention to re-approve the provision of non-assurance services from the CPAs, their accounting firms, and their affiliated enterprises to the Company, its parent company, and its subsidiaries. 6. Assessment of the effectiveness of the Company's internal control system in 2022 and preparation of a Statement of Declaration on Internal Control.	None	All approved without dissent or amendment.	Submitted to and approved by the Board of Directors on March 24, 2023.
4th meeting of the 1st term 2023/05/11	1. The Company’s 2023 Q1 consolidated financial statements.	None	All approved without dissent or amendment.	Submitted to and approved by the Board of Directors on May 11, 2023.
5th meeting of the 1st term 2023/08/08	1. The Company’s 2023 Q2 consolidated financial statements.	None	All approved without dissent or amendment.	Submitted to and approved by the Board of Directors on August 8, 2023.
6th meeting of the 1st term 2023/11/09	1. The Company’s 2023 Q3 consolidated financial statements.	None	All approved without dissent or amendment.	Submitted to and approved by the Board of Directors on November 9, 2023.
7th meeting of the 1st term 2024/03/14	1. The Company’s 2023 business report, individual financial statements, and consolidated financial statements. 2. The Company’s 2023 Earnings Distribution Table. 3. Assessment of the independence and competence of the Company's financial report attesting CPAs. 4. Assessment of the effectiveness of the Company's internal control system in 2023 and preparation of a Statement of Declaration on Internal Control. 5. To revise the Company’s Management Procedures for Convening Audit Committee Meetings, internal control system, and rules for enforcement of internal audit.	None	All approved without dissent or amendment.	Submitted to and approved by the Board of Directors on March 14, 2024.
8th meeting of the 1st term 2024/05/08	1. The Company’s 2024 Q1 consolidated financial statements.	None	All approved without dissent or amendment.	Submitted to and approved by the Board of Directors on May 8, 2024.

Table 2: Summary of communications between independent directors and internal audit supervisors

Date of meeting	Communications meeting	Matters communicated	Communication results
2023/3/24	Audit Committee	Report on the implementation and tracking improvement of internal audit from October 2022 to January 2023.	No opinion was raised at this meeting
2023/5/11	Audit Committee	Report on the implementation and tracking improvement of internal audit from February to March 2023.	No opinion was raised at this meeting
2023/8/8	Audit Committee	Report on the implementation and tracking improvement of internal audit from April to June 2023.	No opinion was raised at this meeting
2023/11/9	Audit Committee	1. Report on the implementation and tracking improvement of internal audit from July to September 2023. 2. Report on the 2024 audit plan.	No opinion was raised at this meeting
2024/3/14	Audit Committee	1. Report on the implementation and tracking improvement of internal audit from October 2023 to January 2024.	No opinion was raised at this meeting
2024/5/8	Audit Committee	1. Report on the implementation and tracking improvement of internal audit from February 2024 to March 2024.	No opinion was raised at this meeting

Table 3: Summary of communications between independent directors and CPAs

Date of meeting	Nature of meeting	Matters communicated	Communication results and implementation status	Suggestions from Independent Directors
2023/3/23	Pre-Board of Directors' meeting	Report on financial affairs and profit or loss of 2022	CPAs reported on the financial affairs and profit or loss of 2022, on a summary of the Company's key audit matters, audit results, recently promulgated regulations for independent auditors' report, laws, and official directives, and on response measures therefor. A description of the key audit matters was also disclosed in the independent auditors' report on the consolidated financial report and parent company only financial report for 2022.	Independent Directors did not express opinions at this meeting
2023/11/9	Pre-Board of Directors' meeting	Communication with the Company's governance unit on the methods and scope of audit of the 2023 financial report, on key audit matters thereof.	CPAs reported on the methods and scope of audit of the 2023 financial report, annual audit plan, and interim control test, and examined and compared the key audit matters of 2022 and those of 2023.	Independent Directors did not express opinions at this meeting
2024/3/14	Pre-Board of Directors' meeting	Report on financial affairs and profit or loss of 2023	CPAs reported on the financial affairs and profit or loss of 2023, on a summary of the Company's key audit matters, audit results, recently promulgated regulations for independent auditors' report, laws, and official directives, and on response measures therefor. A description of the key audit matters was also disclosed in the independent auditors' report on the consolidated financial report and parent company only financial report for 2023.	Independent Directors did not express opinions at this meeting

(III) Corporate governance implementation status and departure from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons

Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Has the company defined and disclosed its corporate governance best practice principles in accordance with the *Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies*?	✓		To build a sound corporate governance system and comply with the spirit of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", the Company's "Corporate Governance Best-Practice Principles" were approved by the Board of Directors and disclosed under the "Corporate Governance" tab on the Company's website for stakeholders' reference and download.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
II. Shareholding structure & stockholders' equity (I) Has the Company set internal operations procedures for dealing with shareholder proposals, doubts, disputes, and litigation as well as implemented those procedures through the proper procedures?	✓		(I) The Company has dedicated personnel, e.g., spokesperson and deputy spokesperson, and relevant departments, e.g., Investor Relations, Shareholder Service, and Legal, responsible for handling suggestions from and disputes with shareholders. The Shareholders' Affairs Agency Department of Yuanta Securities, the Company's stock affairs agency, also helps the Company deal with matters in relation to, and suggestions from, shareholders and stakeholders of the Company. Should any legal issues transpire, the legal adviser hired by the Company will be responsible for dealing with them to preserve the interests of stakeholders.	
(II) Does the Company have a list of major shareholders of companies over which the Company has actual control and the list of ultimate owners of those major shareholders?	✓		(II) The Company always has a good grasp of the changes in equity held or pledged by the 10 largest shareholders, directors, and supervisors. The Company declares any change in the number of shares in the possession of directors, supervisors, and managers every month as required by the competent authority.	

Item		Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
		Yes	No	Summary	
(III)	Has the Company established and implemented risk control/management and firewall mechanisms between it and affiliated corporations?	✓		(III) The Company always complies with laws and regulations; it has also formulated monitoring procedures and internal control system. Assets and financial affairs of the Company are independent from those of affiliates. The Company has also put in place its "Regulations for Supervision and Management of Subsidiaries", "Regulations for Financial and Business Affairs between Affiliates, Related Parties, Specific Companies, and Group Entities", "Regulations Governing the Acquisition and Disposal of Assets", and "Procedures for Loaning of Funds and Making of Endorsements/Guarantees" to provide a basis for compliance. Transactions between related parties also comply with the requirement on transfer price. In doing so, the Company has built and implemented a risk management system and a firewall between itself and its affiliates.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(IV)	Does the Company have internal regulations in place to prevent its internal staff from trading securities based on information yet to be public on the market?	✓		(IV) The Company has formulated its "Procedures for Processing Material Insider Information" and "Regulations for Preventing Insider Trading" in order to prevent improper leak of information, ensure the consistency and accuracy of information communicated by the Company to external parties, and nip insider trading in the bud. Furthermore, the Company has formulated its Ethical Corporate Management Best Practice Principles, which require that members recuse themselves from conflict of interests that is associated with their duties and not confide unpublished information they were informed of to another party, in order to prevent engagement in insider trading. The Company held internal education and training sessions on June 20, 2023 and April 24, 2024, at which the attorney and personnel from the Ministry of Justice Investigation Bureau were invited to lecture to employees on "Insider Trading Project and Case Study", applicable laws, and preventive measures. Number of participants at these sessions reached 51 and 130 persons respectively.	

Item		Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
		Yes	No	Summary	
III.	Composition and responsibilities of the Board of Directors	✓		(I) The Company has set out a diversity policy in its Corporate Governance Best-Practice Principles and Rules of Election for Directors and Supervisors. Each incumbent director and supervisor is an expert in different fields and therefore capable of providing diverse opinions to the Board of Directors, which is conductive to the Company's development and operations. The Company has implemented its policy on diversity among board members and devised and fulfilled concrete management objectives. Please refer to pages 24 to 25 of this Annual Report.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(I)	Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?				
(II)	In addition to establishing a Compensation Committee and an Audit Committee, which are required by law, is the company willing to also voluntarily establish other types of functional committees?	✓		(II) The Company's Board of Directors established the Sustainable Development Committee on January 10, 2023, with Chairman & C.E.O CHENG, TSAI-HSIN serving as the convener of the committee. The Committee's responsibilities include (1) implementing the Company's sustainable management policy and corporate social responsibility. (2) Supervise the implementation and performance of the Company's sustainable development goals or plans. (3) Review the Company's sustainability report. (4) Regularly report to the Board of Directors on the implementation of sustainable development. (5) Matters related to sustainable development assigned by the Board of Directors. Other functional committees will be evaluated and established in the future as needed.	

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(III) Has the company established and implemented methods for assessing the performance of the Board of Directors and conducted performance evaluation annually?
Does the Company submit results of assessments to the Board of directors and use results as the basis for the salary, remuneration, nomination and reappointment of individual Directors?</td><td>✓</td><td></td><td>To implement corporate governance and improve the efficiency of board operation, the Company’s Board of Directors meeting dated August 8, 2018 formulated the “Rules for Performance Evaluation of Board of Directors”, whereby the Finance Department, the unit in charge of Board of Directors meetings, records the implementation status by criteria category, multiplies the scores by given weights to obtain the weighted average scores, and reports the scoring results at a Board of Directors meeting at the end of each year. In addition, Board of Directors members also conduct a self-evaluation, whose results will then be tallied, summarized, and submitted to the Board of Directors. In addition, internal performance evaluations of the Company's functional committees are also regularly conducted, and the evaluation results are reported to the Board of Directors.
The 2023 performance evaluation results of the Board of Directors, individual Board members, Compensation Committee, and Audit Committee, have been reported to the Board of Directors' meetings on January 25, 2024, and March 14, 2024. The evaluation results were all excellent, and there were no deficiencies to be improved. The evaluation results are used as a reference for the compensations of individual directors, and their contribution to the Company is also taken into consideration as the standard for remuneration, which is positively correlated with the Company's operating performance.
<table>
<tr><th>Evaluation cycle</th><th>Evaluation period</th><th>Evaluation scope</th><th>Evaluation method</th><th>Evaluation contents</th></tr>
<tr><td rowspan="2">Once every year</td><td rowspan="2">Sunday, January 1, 2023 through Sunday, December 31, 2023.</td><td>Individual Board members</td><td>Self-evaluation of Board members</td><td>Mastery of Company goals and duties, awareness of director responsibilities, degree of participation in Company operations, profession and continuing education of directors, internal control, etc.</td></tr>
<tr><td>Board of Directors</td><td>Self-evaluation of Board meetings</td><td>Level of participation in the Company's operations; improving the quality of board decision-making; board composition and structure; appointment of directors and their continuing studies; and internal controls.</td></tr>
</table></td><td>In line with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
</table>

						Compensation Committee	Self-evaluation of the Compensation Committee	Degree of participation in the Company's operations, awareness of duties of the functional committee, enhancement in decision-making quality of the functional committee, composition and selection of members, internal control, etc.		
						Audit Committee	Self-evaluation of the Audit Committee	Degree of participation in the Company's operations, awareness of duties of the functional committee, enhancement in decision-making quality of the functional committee, composition and selection of members, internal control, etc.		

Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(IV) Does the company periodically evaluate the level of independence of the CPA?	✓		(IV) The Board of Directors regularly evaluates whether the CPAs meet the criteria for independence (at least once a year) in accordance with the "Checklist for Assessing the Independence and Competence of Appointed CPAs" it has formulated in reference to the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10 Integrity, Objectivity and Independence of the Republic of China. Important assessment items for the Company's attesting CPAs include: "Is it true that the person has no material financial interest with the Company?" "Is it true that the person has no improper relationship with the Company?" "Is it true that the person has his/her assistants comply with the requirement of integrity, objectivity, and independence?" "Is it true that the person is not the Company's director, supervisor, manager, or personnel in a post having material influence over the audit engagement case and that it is certain that the person will not take any of the posts mentioned above during the audit engagement period?" "Is it true that the appointed CPA and his/her spouse or dependents are not the Company's director, supervisor, manager, or personnel in a post having material and direct influence over the audit engagement case during the audit engagement period? If a close relative within the 4th degree of kinship to the appointed CPA is the Company's director, supervisor, manager, or personnel in a post having direct and material influence on the audit engagement work during the audit engagement period, the violation of the independence requirements must be reduced to an acceptable level." "Is it true that the person did not accept any present or gift of great value from the Company or the Company's director, supervisor, or manager?" "Is it true that the name of the appointed CPA is not used by others?" "Is it true that the person is not engaged in loaning of funds to or from the Company?" "Is it true that the person did not run other business that might cause the loss independence?" "Is it true that the person did not accept any commissions in relation to their jobs?" "Is it true that the person possess professional knowledge and experience and familiarizes with the Company to a certain extent?" "Is it true that the person was not subject to any material punishment imposed by the competent authority?" The Company also acquired the "Statement of Independence" provided by the attesting CPAs and the audit engagement team. The Board of Directors meeting dated March 24, 2024 has reviewed the independence and competence of the Company's attesting CPAs and believed it true that CPA A-Shen Liao	In line with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

			and CPA Kuo-Hua Wang met the aforementioned criteria and are therefore qualified to serve as the Company's attesting CPAs. Besides having obtainedthe statement of independence from CPA A-Shen Liao and CPA Kuo-Hua Wang, the Company also obtained the information related to the 13 audit quality indicators (AQIs) provided by the CPAs' accounting firm, and have evaluated the audit quality of the accounting firm and the audit team based on the "Guidelines for the Audit Committee in Interpreting the Audit Quality Indicators (AQIs)" issued by the competent authority. Evaluation results are stated as the following: (1) The independence between the CPAs and the Company complies with the rules and regulations from the Certified Public Accountant Act, the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, the United States Securities and Exchange Commission, and Public Company Accounting Oversight Board (PCAOB) and other relevant regulations. (2) The Company has not appointed the same CPAs for five consecutive years. (3) Regarding the content of the AQI, there is no significant deviation from industry indicators, and it has also been reviewed and evaluated by the Audit Committee.	

Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
IV. For TWSE/TPEx-listed companies, are there suitable persons in an appropriate number and designated supervisors for corporate governance to take charge of related matters (including but not limited to providing directors and supervisors with materials required for them to carry out their tasks, helping directors and supervisors comply with the law, taking care of board of directors' meetings and shareholders' meetings as required by law, conducting and modifying business registration, and preparing minutes of board of directors' meetings and shareholders' meetings)?	✓		Pursuant to the criteria of eligibility stipulated in the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, the Company's Board of Directors' meeting dated August 12, 2021 has resolved to designate TANG, CHING-LING, Assistant Vice President of the Finance Department, to be the Chief Governance Officer, who shall be responsible for taking care of Board of Directors' meetings and shareholders' meetings as required by law, conducting and modifying business registration, preparing minutes of Board of Directors' meetings and shareholders' meetings, providing directors with materials required for them to carry out their tasks, amending and developing regulations on business management and corporate governance in line with the latest legal amendments, providing and assisting directors in legal compliance and other matters stipulated by the Articles of Incorporation or contracts, inspecting the level of confidentiality of relevant information and providing Company information required by directors in order to maintain unimpeded communications and information exchange between the directors and various business managers. Assistant Vice President TANG, CHING-LING has worked as a managerial officer in charge of financial affairs at a public company for more than 10 years; she takes continuing education courses every year to advance her professional knowledge and skills. In 2023, she took the continuing eduction courses including "Information Security" legal compliance and anti-fraud practices, and policy development related to "ESG Sustainability and Self-preparation of Financial Statements" among other courses, which cumulatively amounted to 18 hours.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

V. Has the Company established channels for communicating with stakeholders, set up a dedicated stakeholder area on the company website, as well as appropriately responded to important corporate and social responsibility issues of concern to stakeholders?	✓		(I) In addition to appointing a spokesperson and a deputy spokesperson, the Company also made available on its website the "Stakeholders" corner(https://www.lasertek.com.tw/website/home/index.php?au_id=7&sub_id=2), where dedicated personnel from relevant departments take charge of communication with stakeholders; by providing such a two-way communication channel at the disposal of stakeholders like investors, shareholders, employees, customers, and suppliers, the Company is able to respond to issues like corporate social responsibility that concern the stakeholders. (II) Contact information through which to reach the Company is disclosed on the Market Observation Post System as required; meanwhile, information on the Company's financials and shareholder service is disclosed on the Market Observation Post System and the Company's website. (III) The Company has put in place a dedicated email box and a hotline which stakeholders may use to lodge complaints or seek consultation. (mailbox:lasertek@lasertek.com.tw,) (IV) Internally, aside from holding employer-employee meetings, the Company also makes available on its intranet an email box for submitting opinions, whistleblowing, and voicing complaints; a physical mailbox installed at the place where employees clock in also allows them to write to directors, supervisors, or the management. Any suggestion or feedback from employees is attended to by dedicated personnel.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
VI. Has the Company hired a professional agency to handle tasks and issues related to convening shareholder's meeting?	✓		The Company has appointed the Shareholders' Affairs Agency Department of Yuanta Securities, a professional share administration agency, to handle the Company's shareholders' affairs. In addition, the Company has also formulated its "Regulations for Management of Shareholders' Affairs", in addition to the "Procedures for Handling Shareholders' Affairs" under the internal control system.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
VII. Information disclosure (I) Has the Company established a corporate website to disclose information regarding the Company's financial, business and corporate governance status? (II) Has the company established other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information	✓ ✓		(I) The Company discloses information on the Market Observation Post System and publicizes the information on its business and products on its website at www.lasertek.com.tw (II) The Company also sets up an English-medium website and has dedicated personnel gather and disclose company information. Meanwhile, the Company also periodically holds an investor conference and has established a spokesperson system and a dedicated shareholder service team. Information relating to shareholders' meetings or investor conferences is also updated on the Company's website in a timely manner.	The Company will accelerate our accounting processes to coordinate with the audit schedule of the accounting firm, with the hopes of announcing and reporting the annual financial reports within two months after the end of the fiscal year. In line with the Corporate Governance Best Practice Principles for

	collection and disclosure, appointing spokespersons, or webcasting investor conferences on the company website)?				TWSE/TPEx Listed Companies with the preceding matter.
(III)	Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?	✓		(III) The Company currently has not published or reported our annual financial report within two months after the end of a fiscal year. However, we do publish and report our financial reports for the first, second and third quarters within the specified deadline, and announces the operating status for each month before the 10th of each month.	

Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, and purchasing insurance for directors and supervisors)?	✓		(I) Employee rights: The Company's management values employee rights in that it often raises employees' salary and distributes bonus to stimulate them whenever the Company's profits permit. In addition, the Company has established its Employee Welfare Committee, implemented pension schemes, and purchased group insurance for employees. (II) Employee wellness: The Company provides employees with a wide range of welfare measures, including group insurance, annual health check-up, travel subsidies, bonus, year-end bonus, employee stock ownership trust, and subsidies and scholarships for children's education. Furthermore, the Company preserves employees' legal rights in accordance with the Labor Standards Act and other applicable laws. For instance, aside from periodically holding an employer-employee meeting and providing an employee grievance filing channel to smooth communication with employees, the Company has also created a sound online document control system, wherein the various internal regulations specifying employees' rights and obligations and enumerating employee welfare items are available. The Company also periodically reviews the content of welfare to preserve employees' rights. (III) Investor relations: Having appointed a spokesperson and a deputy spokesperson to take care of relevant matters, the Company is able to smooth its communication with stakeholders. All telephone calls and questions raised on-site are addressed actively, and any opinion and suggestion from investors is held in high regard. (IV) Supplier relations: The Company maintains supplier relations by adhering to ethical principles, and maintains unimpeded, bi-lateral communication channels with suppliers to maintain positive upstream/downstream relations in the supply chain. Maintaining good communication also ensures that the Company's requirements on quality, delivery date, and price can be met. In addition, the Company has also	In line with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

			implemented a supplier inspection system to ensure that suppliers comply with the Company's quality and environmental policies. In addition, we have also installed in place a supplier evaluation system and conducts audits from time to time. (V) Interests of stakeholders: The Company's website (www.lasertek.com.tw) has a "Stakeholders" tab; information is also disclosed on the "Market Observation Post System" for stakeholders' reference. Should any legal issues transpire, the Company will also ask legal advisers engaged by the Company to deal with them to preserve the interests of stakeholders. (VI) Continuing education of directors and supervisors: The Company encourages directors and supervisors to take continuing education courses, and will recommend courses tailored to their needs depending on circumstances. In addition, information on their taking continuing education course is disclosed on the Market Observation Post System.	

Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, and purchasing insurance for directors and supervisors)?	✓		(VII) Implementation of risk management policies and risk assessment standards: To adequately reduce risks, the Company and affiliates have formulated the "Risk Management Policy and Operating Procedures", which has been resolved by the Board of Directors' meeting convened on August 12, 2021, and constitute a regulatory framework for managing risks within organizations. The Company has further formulated other internal regulations, including the operating procedures for financial and business affairs between the Company and affiliates, related parties, specific companies, and group entities, the procedures for credit extension, the regulations for risk management, the regulations for transactions with related parties, the management directions for processing and reporting occasional material information, and the regulations for supervision and management of subsidiaries, and has each department control relevant risks, hoping to keep risks at bay. In addition, the Company also specifies that regular reporting to the Board of Directors (at least once a year) is required. The Company completed its annual risk management report on October 26, 2022, and reported to directors on risk management in the current year and effects of climate change risks and response measures therefor at the Board of Directors meeting dated November 9, 2022. The Company plans to have the President and each departmental head assemble the Risk Review Committee, which is responsible for carrying out feasibility assessment, including assessment of the various types of risk. (VIII) The implementation of customer relations policies: The Company is mainly engaged in production and sale of SMD packaging materials and laser equipment. It makes available product manuals and technical support on its website, and sets up an email box of the sales department under the "Stakeholders" tab to provide a clear communication channel for consumers or customers. (IX) Status of purchase of liability insurance by the Company for directors and supervisors: The Company has taken out liability insurance for all directors and supervisors, with a coverage of US$2 million. Such information has been disclosed on the Market Observation Post System. The state of purchase of liability insurance for	In line with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

			2024 has been reported at the third Board of Directors' meeting of 2024. (X) Establishing a succession plan for key managerial positions: As defined in the Company's succession plan, a successor must possess exceptional management and professional competency, values akin to the Company's, personal characteristics of honesty, integrity, innovation, and execution, and experience in purpose-specific training and job transfer aiming to foster the operational and management capability required of executives.	

IX. Please describe improvements in terms of the results of the Corporate Governance Evaluation System in recent years and propose areas and measures to be given priority where improvement will be needed.

1. The Company's 2023 Corporate Governance Evaluation results ranked the Company among the top 36% ~ 50%, an improvement over the previous year.
2. Improvements that have been made by the Company in 2023: Established a Sustainable Development Committee to improve the functions of the Board of Directors; disclosed that the Board of Directors have evaluated the independence and competency of CPAs in reference to the audit quality indicators (AQIs); and disclosed the evaluation results of functional committees and individual Board members.
3. Future improvements will include the following: To ensure fairness and equality of all shareholders, the Company will formulate internal regulations to prohibit Company insiders such as directors or employees from using undisclosed information in the market to trade securities; and the Company will also formulate succession plans for Board members and key management roles.

(IV) Where the Company has a remuneration committee, the committee's composition, duties, and state of operation shall be disclosed.

1. Information on members of the Compensation Committee

Criteria / Identification Type (Note 1)	Name	Professional qualifications and experience(Note 2)	Independence status (Note 3)	Number of other public companies in which the member also serves as a member of their compensation committee
Convener and Independent Director	LIEU, DER-MING	Please refer to page 14-15 for relevant information on Table 1: Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors.	In line with the independence requirements set forth in Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange": (1) The person or his/her spouses and relatives within second degree are not serving as directors, supervisors, or employees of the Company or any of its affiliates. (2) The person and their spouses and relatives within second degree are not holding shares of the Company in their own names or in any third party's name. (3) The person and his/her spouses and relatives within second degree are not serving as directors, supervisors, or employees of any company that has a specific relationship with the Company. (4) The person and his/her spouses and relatives within second degree receive no remuneration for providing business, legal, financial, or accounting service to the Company or any of its affiliates in the last two years.	2
Independent Director	HUANG, LAI-FU	Please refer to page 14-15 for relevant information on Table 1: Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors.		0
Others	Yih-Tun Tseng	Expertise: AI, intelligent management Education: Ph.D, University of Michigan-Ann Arbor Other major position: Incumbent professor of the Department of Mechanics, National Sun Yat-sen University; Experience: Former full-time professor at National Sun Yat-sen University;		0

Note 1: Please specifically fill in the number of years of relevant work experience, and the professional qualifications and experience, and the status of independence, of each remuneration committee member. If the member is an independent director, you may add a note directing readers to refer to the relevant information in Table 1: Profile of directors and supervisors (1) on p. OO. For "Capacity," please specify whether the member is an independent director or other (if the member is the convener, please note that fact).

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of each member of the remuneration committee.

Note 3: Meets the independence criteria: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a "specified company" (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 4: Regarding the method for disclosure, please refer to the "SAMPLE ANNUAL REPORT" page on the website of the Taiwan Stock Exchange Corporate Governance Center.

2. Roles and Responsibilities of the Compensation Committee

To implement corporate governance and ensure a sound system for compensation of the directors, supervisors and managerial officers of the Company, the Company has established the Remuneration Committee pursuant to applicable laws. The Remuneration Committee members must exercise the care of a prudent administrator to faithfully fulfill the following duties:

(1) Establish and conduct regular reviews of the policies, systems, standards, and structures for performance appraisal and remuneration of the Company's directors and managers.

(2) Regularly assess and determine the remuneration to be granted to each individual director and manager and assess whether to adjust employee salary to reflect the changes in consumer price index (CPI) and operating profits.

3. Operation of Compensation Committee

(1) The current Remuneration Committee has 3 members.

(2) Current term for Compensation Committee members: July 6, 2022 and June 23, 2025; 3 (A) meetings of the Remuneration Committee were held in the most recent year. The attendance was as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	In-person attendance rate (%) (B/A)	Note
Convener	LIEU, DER-MING	3	0	100%	
Committee member	HUANG, LAI-FU	3	0	100%	
Committee member	YIH-TUN TSENG	3	0	100%	

Other matters that require reporting:

I. Describe the date, term, agenda, and resolutions of the board meeting and the response to the Remuneration Committee's recommendations where the board did not adopt or modify the Remuneration Committee's recommendations (e.g., describe the difference and reasons where the board of directors approves a better compensation package than what is recommended by the Remuneration Committee): N/A.

II. If a member opposes a resolution the Committee has adopted or has reservations with a written record or a statement, the date and session of the meeting, the resolution, opinions of all the members, and the handling of their opinions and supervisors' opinions shall be indicated: N/A.

Note:

(1) If any Remuneration Committee member left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of Remuneration Committee meetings held and the number they attended in person during the period they were in office.

(2) If any by-election of remuneration committee members was held before the end of the fiscal year, the names of the successor and predecessor committee members should be filled in this table, with a note in the Remarks column stating whether the member was a successor, predecessor, or re-elect, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number attended in person during the period of each such person's actual time in office.

4. Operation of the Remuneration Committee in the most recent year

Meeting date and session	Agenda and follow-up	Results of resolutions	The Company's handling of the opinions of the Remuneration Committee members.
2023.1.10 First meeting in 2023	Agenda item: Discussion of year-end bonus for managers of 2022 and accounting treatment of salary adjust for 2023. State of execution: 1. The proposal was passed, and submitted to the Board of Directors for resolution. 2. Distributed on 2023.1.18.	Approved by all members present.	Submitted to the Board of Directors; not discussed by directors who are also a manager and recused themselves due to conflict of interests; approved by all directors present upon the chair's inquiry.
2023.3.24 Second meeting in 2023	Agenda item: Discussion of the distribution of remuneration to employees, directors, and supervisors of 2022. State of execution: 1. The proposal was passed, and submitted to the Board of Directors for resolution. 2. Remuneration to each individual will be determined separately through a meeting after the proposal is reported at the shareholders' meeting.	Approved by all members present.	Submitted to the Board of Directors and approved by all directors present.
2023.8.8 Third meeting in 2023	Agenda item: 1. Discussion of the accounting treatment of the remuneration to employees, directors, and supervisors of 1111. 2. Discussion of employee remuneration for managers of 2022. State of execution: 1. The proposal was passed, and submitted to the Board of Directors for resolution. 2. Director and and supervisor remuneration distributed on 2023.8.8. 3. Employee remuneration to managers distributed on 2023.8.29.	Individual member recused themselves from discussion of the part of proposal in relation to their remuneration to avoid conflict of interests; the proposal on remuneration to directors was approved by all members present upon the chair's inquiry. The employee remuneration to be granted to managers was approved by all members present.	The proposal was submitted to the Board of Directors; individual director recused themselves from discussion of the part of proposal in relation to their remuneration to avoid conflict of interests; the proposal on remuneration to directors was approved by all directors present upon the chair's inquiry. Directors who are also a manager recused themselves from the discussion of employee remuneration to be granted to managers, to avoid conflict of interests; the proposal was approved by all directors present upon the chair's inquiry.

(V) Sustainable Development implementation and deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the reason for such deviations:

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Has the Company established a governance framework to promote sustainable development and a dedicated department (or have another department be responsible for related efforts) for fulfilling sustainable development, with the board of directors authorizing high-level managers to handle such efforts, and having relevant progress be supervised by the board of directors?	✓		1. The Company has established a Sustainable Development Committee, which is responsible for promoting and implementing the corporate social responsibility and the business objectives underlying sustainable development. The Sustainable Development Committee, which is chaired by the Chairman of the Board, governs three task forces, namely, Sustainable Environment Task Force, Social Engagement Task Force, and Corporate Governance Task Force, in addition to an executive office, as the unit in charge of promoting sustainable development. 2. The convener of the Company's Sustainable Development Committee is concurrently served by the Chairman & C.E.O. It oversees three task forces, namely, Sustainable Environment Task Force, Social Engagement Task Force, and Corporate Governance Task Force, in addition to an executive office. Committee members are composed of the General Manager and senior managers from various departments. Each task force is responsible for promoting the operation and execution of relevant matters and resolutions, as well as summarizing relevant workings and reporting them to the executive office, which in turn reports the implementation plans and results to the Committee on a regular basis. Tasks that each task force oversees: Sustainable Environment Task Force: Responsible for the planning and implementation of environmental policies, strategies, goals and action plans. Key tasks include: Promote environmental protection policies, energy conservation and carbon reduction, greenhouse gas management, water resources management, and waste management, pollution prevention, green workplace and environment, green procurement, supply chain management, and advocating environmental protection policies, climate change mitigation and adaptation, and research on the relevant sustainability issues, in addition to	In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			formulating and developing relevant management systems. Social Engagement Task Force: Including human resources development, labor and human rights and ethics, creating a healthy and friendly workplace environment, social care and social engagement, etc. Corporate Governance Task Force: Responsible for the integration and implementation of corporate governance systems, maintaining a trusting relationship between the Company and stakeholders, financial information disclosure, regulatory compliance and research on foreign corporate governance trends, research on domestic corporate governance laws and regulations, establishment and development of relevant management systems, etc., and corporate finance planning and execution, etc. (2) The task forces and executive office of the Sustainability Development Committee will compile relevant information to prepare a Sustainability Report, and regularly report the implementation status and results to the Board of Directors on a quarterly basis. The Board of Directors evaluates whether the work results from each of the Sustainability Development Committee's task forces are in compliance with strategic goals, and reviews the implementation status and results. (3) The Company's Sustainability Development Committee has published the 2022 Sustainability Report in June 2023. Please refer to the following website for details: https://www.lasertek.com.tw/send_form.php. (4) The Company has also reported the first draft of the Sustainability Report to the Board of Directors' meeting in Q1 2024.	
II. Does the company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business			1. The Company has formulated the Sustainable Development Best Practice Principles to implement corporate governance, develop a sustainable environment, safeguard social welfare and strengthen the information disclosure on corporate social responsibility. In October 2023, the Company has completed the 2023 Risk Management Report, which undertakes relevant risk evaluations on material issues that pose significant impacts to the Company's investors and other stakeholders among all environmental,	In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
activities and devise risk management policies and strategies accordingly?			social, and governance issues related to our operations. The scope of the risk evaluation covers the Company's Kaohsiung head office, Kaohsiung branch, Hsinchu branch and our reinvested subsidiaries in Kaohsiung, including: Weike Semiconductor Co., Ltd.; Jieyan Jieneng Technology Co., Ltd.; and Liu Bei Fa Co., Ltd. The Company has assessed the risks entailed in its operations by the principle of materiality, and formulated its "Risk Management Policy and Operating Procedures", aiming to effectively identify, prevent, and control risks through a systematic and organized management approach, to maintain normal operations, thereby achieving sustainable development. 2.Environmental: The Company has implemented ISO14001: The environmental management systems of 2015 assess whether the objectives of clean production, materials conservation, resources recovery, and pollution control are achieved by looking at the waste and scraps generated during the manufacturing process. In addition, through promotion on-site at education and training courses and meetings, the Company furthers employees' awareness of the importance of environmental protection and motivate them to act in an eco-friendly manner. Social: The Company regards occupational health and safety as an important evaluation item, for which it has carried out hazard identification and risk assessment to prevent occupational accidents. In addition, the company regularly organizes health and safety seminars, fire drills, and labor safety and health education and training courses to strengthen employees' occupational safety awareness. Corporate governance issues of materiality: Including information disclosure and regulatory compliance. With a corporate governance framework centered on the Board of Directors aided by supporting units, e.g., the Remuneration Committee, internal audit unit, and the chief governance officer, the Company provides stakeholders' with a more diverse range of information assess and communication mechanism.	

<table>
<tr><th rowspan="2">Implementation items</th><th colspan="3">Implementation</th><th rowspan="2">Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>III. Environmental issues</td><td></td><td></td><td></td><td></td></tr>
<tr><td>(I) Has the Company established a proper environmental management system based on the characteristics of the industry?</td><td></td><td></td><td>1. The Company has formulated a Safety and Health Code and reported it to the Labor Standards Inspection Office, Labor Affairs Bureau of the Kaohsiung City Government for review. To ensure that the environmental management is effectively implemented, the safety and health policies formulated in the aforesaid Code include employee health and safety management, working environment safety and operational hazard identification and more.
2. Each of the Company's factory plant has also passed and received ISO 14001: 2015 Environmental Management System certification(certificate valid during November 5, 2021 and November 5, 2024), an embodiment of environmental safety protection.</td><td>In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
<tr><td>(II) Is the company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?</td><td></td><td></td><td>The Company commits to improving energy efficiency in that it sets energy conservation goals and energy conservation improvement action plans every year and actively takes part in energy efficiency improvement programs organized by the government. In addition, the Company uses resources and controls waste based on the 4R principles, namely, Reduce, Reuse, Recycle, and Recovery, all of which aim to make the economic value of resources sustainable. Furthermore, by continuously promoting recycling of packaging materials and the policy on reduction in packaging materials used for packing production supplies, the Company reduces the impact of waste on the environment. Reel hubs (recyclable materials) used in the process for manufacturing the tape and reel packaging materials the Company produces and sells are currently fully recycled from customers.
<table>
<tr><th>Waste category</th><th>Disposal method</th><th>Volume generated in 2023 (metric tonnes)</th><th>Annual rate of change in volume generated</th></tr>
<tr><td>Plastics (PC+ABS)</td><td>Recycling(Note 1)</td><td>99.98</td><td>↓ 15.46%</td></tr>
<tr><td>Paper tape (paper grains, scraps, grade 1 corrugated fiberboard)</td><td>Recycling(Note 1)</td><td>306.56</td><td>↑ 8.23%</td></tr>
<tr><td>Domestic waste</td><td>Incineration</td><td>12.00</td><td>-</td></tr>
<tr><td></td><td>Total</td><td>418.54</td><td>↑ 1.21%</td></tr>
<tr><td colspan="2">Recyclable and reusable</td><td>406.54</td><td>↑ 5.29%</td></tr>
</table>
Note 1: “Recycling” means processing recycled materials into new materials.
Note 2: Information coverage: Including all factories in Kaohsiung.
The Company abides by the “Energy Conservation Goals and Action Plans Set by Energy Users” promulgated by the Bureau of Energy, MOEA; in 2020, the Company achieved the goal, namely, “Big industrial electricity users signing up for a contract capacity of more than 800kW must save energy consumption by an average of 1% annually within 5 years.” The Company will progress continuously, and will apply ISO14001 Environmental management systems in the future when it comes to annual management approaches and energy conservation and carbon reduction measures.</td><td>In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
</table>

<table>
<tr><th colspan="2" rowspan="2">Implementation items</th><th colspan="3">Implementation</th><th rowspan="2">Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(III)</td><td>Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?</td><td>✓</td><td></td><td>To enable its organization to fully grasp the risks and opportunities entailed in the low-carbon economy, the Company conducts an overall inventory by preferentially referencing the recommendations set forth in the “Taskforce on Climate Related Financial Disclosure”, and will establish a systematic management strategy and disclose it in the Sustainability Report.
<table>
<tr><th colspan="2">Risk identified</th><th>Description</th><th>Response measures:</th></tr>
<tr><td rowspan="3">Transformation risk</td><td rowspan="2">Laws and policy</td><td>In 2022, the FSC required that all TSWE/TPEx-listed companies complete greenhouse gas inventory and verification by 2029 and report to their board of directors quarterly on their progress until they meet the requirement.</td><td rowspan="2"><1> Start by recording and tracking Scope 2 greenhouse gas emissions.
<2> Prioritize purchase of energy-efficient equipment to replace existing energy-consuming machinery and equipment.
<3> Introduce ISO14064-1 to inventory greenhouse gas emissions and pass verification.</td></tr>
<tr><td>If the “Greenhouse Gas Reduction and Management Act” is successfully amended into the “Climate Change Response Act”, a carbon fee levy system will be enforced, which will increase the operating costs for businesses. Although the Company is not the first to sustain the blow, the industry as whole will greatly suffer.</td></tr>
<tr><td rowspan="2">Market</td><td>The Company is in an industry relevant to the Semiconductor Industry. Although the Company is not the one to which the requirements of brand customers on the end market directly direct, it may be indirectly affected. In the future, the Company may be asked to provide its products’ carbon footprint and its per-unit-product carbon reduction goals.</td><td rowspan="2"><1> Assess the feasibility and necessity of applying the carbon footprint requirement to products.
<2> Develop alternative domestic suppliers to stabilize raw materials supply; increase the percentage of local purchase to reduce the carbon emissions arising from transporting goods from abroad.</td></tr>
<tr><td>In addition, restricted by industrial characteristics, the Company imports most of its raw materials from abroad. Recent international political and economic climate and energy policy drove up raw materials costs and transportation costs, thereby</td></tr>
</table></td><td>In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
</table>

					impacting operating costs.		
				Goodwill	The increasing importance attached to sustainability indicators by international institutional investors and the green finance policy in Taiwan will further necessitate disclosure of information on ESG and carbon management. Failure to catch up in time will result in unfavorable or restricted financing conditions.	The Company has periodically published its Sustainability Report since 2020 to disclose its implementation of ESG and performance of implementation. This shows the Company's aggressive efforts to communicate with stakeholders. In doing so, the Company hopes to gradually enhance its organization's ESG management and sustainability resilience (including climate resilience).	
			Physical risks:	nstantaneous	Extreme weather events like typhoons and floods will occur more often and with greater intensity. This will affect the commute of colleagues or temporarily affect production capacity at best, or will drown factory equipment in a flood at worst.	Set up standard operating procedures for response to a variety of emergencies, a mechanism for disaster prevention and reporting, and an Emergency Response Team.	
				Long-term	Climate factors, e.g., rising sea levels and unstable rainfalls cased by global warming, sharply increases the risks of interruption or congestion of supply chains. Extreme weather events, like high temperature and water scarcity, have become more extreme.	The Company has manufacturing facilities in China, Taiwan, and Singapore, providing off-site backups and thereby reducing the risks and consequences of regional climate change. Retain water catch basins when building new factories and make them available for temporary use in case of emergency.	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Opportunity identified</th><th>Description</th><th>Response measures:</th></tr>
<tr><td>Enhancing resource efficiency</td><td>Start with source management; use resources rationally and extend their life cycle as much as possible; reduce waste disposal and ensure the recycling and reuse of resources to maximize their value.</td><td>97.13% of the waste generated can be recycled.
Replace the reel hubs of tape and reel packaging materials with reusable plastic reel hubs to avoid waste of resources.
Work with the value chain to ship goods in transport trolleys instead of cartons to reduce the consumption and disposal of paper resources.</td></tr>
<tr><td>Use low-carbon energy</td><td>Governments at home and abroad are actively implementing energy transformation policy and green finance policy, vigorously supporting the renewable energy industry, with a view to achieving Net Zero. Purchasing green electricity and installing renewable energy equipment and energy storage equipment has become a top priority when it comes to developing a company's climate resilience.
Using renewable energy to a certain extent will help reduce per-unit-product carbon emissions, and will ready an enterprise early for the carbon tariff policy adopted successively by countries around the world, thereby reducing impact.</td><td>The Company has been actively pushing forward an energy conservation policy by encouraging each department to incorporate the idea of energy conservation into the manufacturing process and daily life. Our major energy conservation plans include using energy-saving lighting and reducing the use of air conditioners and air compressors and more. In 2023, we mostly replaced obsolete air conditioner replacement and energy-saving measures to reduce energy consumption and carbon emissions. In doing so, we saved a total of 30,294kWh, achieving an energy-saving of 109,058.40 MJ, or equivalent to reducing 15 metric tonnes of CO2e.</td></tr>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(IV) Does the Company calculate the amount of greenhouse gas emission, water consumption, and waste production in the past two years and implement policies to cut down energy and water consumptions, carbon and greenhouse gas emissions, and waste production?</td><td>✓</td><td></td><td>The following data collected by the Company covers all our factories located in Kaohsiung.
(1) Greenhouse gas emissions management:<table><tr><th>Category/Scope</th><th>Category</th><th>2022</th><th>2023</th></tr><tr><td rowspan="4">Category 1 (Scope 1)</td><td>Stationary combustion</td><td>0</td><td>0</td></tr><tr><td>Mobile combustion</td><td>13.7411</td><td>6.4479</td></tr><tr><td>Process emissions</td><td>0</td><td>0</td></tr><tr><td>Fugitive emissions</td><td>2.0655</td><td>45.5361</td></tr><tr><td colspan="2">Category 1 (Scope 1) Subtotal</td><td>15.8066</td><td>51.9840</td></tr><tr><td rowspan="2">Category 2 (Scope 2)</td><td>Purchased electricity</td><td>1,496.2841</td><td>1,318.1065</td></tr><tr><td>Purchased energy</td><td>0</td><td>0</td></tr><tr><td colspan="2">Category 2 (Scope 2) Subtotal</td><td>1,496.2841</td><td>1,318.1065</td></tr><tr><td colspan="2">Category 1 (Scope 1) + Category 2 (Scope 2) Total</td><td>1,520.2616</td><td>1,370.0905</td></tr><tr><td rowspan="3">Category 3 to Category 6 (Scope 3)</td><td>Employee commuting</td><td>86.7265</td><td>79.1311</td></tr><tr><td>Procurement</td><td>263.7257</td><td>237.6915</td></tr><tr><td>Waste disposal</td><td>5.3658</td><td>6.5325</td></tr><tr><td colspan="2">Category 3 to Category 6 (Scope 3) Subtotal</td><td>355.8181</td><td>323.3551</td></tr><tr><td colspan="2">Category 1 to Category 6 (Scope 1 + Scope 2 + Scope 3) Total</td><td>1,867.9087</td><td>1,693.4456</td></tr></table></td><td>In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
</table>

Implementation items	Implementation			Deviations from Sustainable Development ~~Best-Practice~~
			Management policy and achievements: The Company began to deploy ISO 14064-1 in 2022: We took greenhouse gas (GHG) inventories of our Kaohsiung Linguang plant in 2018 in order to better understand the Company's major emission sources through systematic inventories, thereby allowing the Company to initiate more energy-saving plans and reduce GHG emissions. Going forward, the Company will continue to conduct GHG inventories of various locations and strive to improve the energy efficiency of each operating location. In addition, the Company will also use ISO 14001 Environmental Management Systems standard as the basis for annual management policy and various energy-saving and carbon-reducing measures, and will also consider gradually switching over to renewable energies as alternative energy energy source to reduce GHG generated from energy use. In 2023, the total purchased electricity decrease by 9.1% year-over-year. However, this is mainly due to the adjustment of production capacity in response to the market conditions and the slowdown in production and manufacturing. Therefore, in terms of energy intensity, we reached a year-over-year increase of 1.2%. From a GHG emissions perspective, we reduced GHG emissions by 9.1%, and if the total annual revenue is used as the basis for comparison of GHG emissions, our GHG emission intensity has decreased by 1.82% annually. (2) Energy conservation and carbon reduction: In recent years, LaserTek has been actively pushing forward an energy conservation policy by encouraging each department to incorporate the idea of energy conservation into the manufacturing process and daily life. Our major energy conservation plans include using energy-saving lighting and reducing the use of air conditioners and air compressors and more. In 2023, we mostly replaced obsolete air conditioner replacement and energy-saving measures to reduce energy consumption and carbon emissions. In doing so, we saved a total of 30,294kWh, achieving an energy-saving of 109,058.40 MJ, or equivalent to reducing 15 metric tonnes of CO2e.	

<table>
<tr><th>Implementation items</th><th colspan="3">Implementation</th><th>Deviations from Sustainable Development Best-Practice</th></tr>
<tr><td></td><td></td><td></td><td>Energy saving measures and performance
<table>
<tr><td>Year</td><td>2021</td><td>2022</td><td>2023</td></tr>
<tr><td>Cumulative number of energy-saving measures</td><td>2</td><td>2</td><td>1</td></tr>
<tr><td>Energy-saving project name</td><td>● Replace air conditioners
● Air compressor replacement</td><td>● Replace air conditioners
● Combine engine rooms</td><td>● Replace air conditioners</td></tr>
<tr><td>Electricity conserved (kWh)</td><td>48,954</td><td>63,101</td><td>30,294</td></tr>
<tr><td>Energy conserved (MJ)</td><td>176,234.40</td><td>227,163.60</td><td>109,058.40</td></tr>
<tr><td>Carbon emissions reduced (metric tonnes of CO2e)</td><td>24.92</td><td>32.11</td><td>15.00</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Implementation items</th><th colspan="3">Implementation</th><th rowspan="2">Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>(3) Water resource management:
The Company's main products are laser equipment, and tape and reel packaging materials. The energy used in the manufacturing process is electricity, and the product manufacturing process does not consume water. After taking an inventory of the resource consumption at the factory, it was found that most of the water used is domestic water and 100% of the water source is tap water from Taiwan Water Corporation. Most of the water is consumed at the office. In addition, the wastewater from the Kaohsiung Head Office, Kaohsiung Branch, Hsinchu Branch, and the five factories in Kaohsiung Linguang, is uniformly collected through the underground sewage pipelines to the sewage treatment plant, where the water is treated until it meets the national discharge standards before being discharged. Hence, the possibility of contaminating water resources and causing ecological damage is low. In addition, according to the Aqueduct Water Risk Atlas from the World Resources Institute, the water stress index across our Taiwan operations is either low to medium. Nevertheless, LaserTek continues to actively promote water conservation measures, replace worn water-consuming equipment, monitor water use, and to implement laws and regulations related to wastewater and sewage treatment through the ISO 14001 environmental management system.
LaserTek’s water withdrawal in the past three years (unit: million liters)
<table>
<tr><th></th><th>Unit</th><th>2021</th><th>2022</th><th>2023</th></tr>
<tr><td>Tap water (water from third-party entity)</td><td>million liters</td><td>3.00</td><td>2.79</td><td>2.77</td></tr>
<tr><td>Annual rate of change in water withdrawal</td><td>Ratio (%)</td><td>↓10.71%</td><td>↓7.06%</td><td>↓0.61%</td></tr>
<tr><td>Water use intensity</td><td>100 million liters/operating revenue (in millions of NTD)</td><td>0.0028</td><td>0.00305</td><td>0.0033</td></tr>
</table>
Note: Including all factories and subsidairies in Kaohsiung.</td><td></td></tr>
</table>

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			(4)Waste management: The Company uses resources and controls waste based on the 4R principles, namely, Reduce, Reuse, Recycle, and Recovery, all of which aim to make the economic value of resources sustainable. None of the Company's products will turn into hazardous waste upon disposal. A bulk of the Company's products are plastics and paper tapes, both can be regenerated and reused and have been recycled and reused in full by the Company. The Company will continue to reduce waste in the future. Aside from continuously implementing source reduction and recycling and reusing in-factory waste, the Company will collaborate with the entire supply chain to lessen the use of raw materials, reduce the impact of manufacturing process on environment, and continue to deploy revolutionary environmental technology to put the idea of circular economy into practice. By establishing a strict system for selection, control, and audit of suppliers, the Company ensures that waste is disposed of at places permitted by law, so as to lay a sustainability foundation. To effectively dispose of and utilize waste and ensure minimal impact on the environment, 100% of the waste generated during the production and operation process is entrusted to qualified clearance and disposal agencies. In order to ensure that the executions from the clearance and disposal agencies comply with relevant laws, LaserTek requires these companies to submit relevant qualification certificates, to sign contracts, and to show proof of the disposal process, etc., Moreover, relevant records and documents are properly preserved to ensure that the disposal and clearance process complies with local laws and regulations. There were no major breach of contract or illegal matters by the responsible waste clearance and disposal agencies in 2023. LaserTek did not experience production suspension or protest taken place surrounding its factory due to pollution or leakage, nor was it subject to any environmental penalty in either 2022 or 2023.	

<table>
<tr><th rowspan="2">Implementation items</th><th colspan="3">Implementation</th><th rowspan="2">Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
Volume of waste generated in the most recent year, and treatment thereof (Unit: Metric tonnes)
<table>
<tr><th>Waste category</th><th>Disposal</th><th>Volume generated in 2023 (metric tonnes)
t
h
o
d</th><th>Annual rate of change in volume generated</th></tr>
<tr><td>Plastics (PC+ABS)</td><td>Recycling</td><td>99.98</td><td>↓15.46%</td></tr>
<tr><td>Paper tape (paper grains, scraps, grade 1 corrugated fiberboard)</td><td>Recycling</td><td>306.56</td><td>↑8.23%</td></tr>
<tr><td>Domestic waste</td><td>Incineration</td><td>12.00</td><td>-</td></tr>
<tr><td></td><td>Total</td><td>418.54</td><td>↑1.21%</td></tr>
<tr><td colspan="2">Recyclable and reusable</td><td>406.54</td><td>↑5.29%</td></tr>
</table>
Waste management performance
<table>
<tr><th>Performance</th><th>Unit</th><th>2022</th><th>2023</th></tr>
<tr><td>Business waste recycling and reuse rate</td><td>%</td><td>97.10%</td><td>97.13%</td></tr>
<tr><td>Waste intensity</td><td>Metric tonnes/NT$1 million</td><td>0.45</td><td>0.51</td></tr>
</table>
</td><td></td></tr>
</table>

Implementation items		Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
		Yes	No	Summary	
IV.	Social issues				
(I)	Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		The Company follows and adheres to international labor and human rights norms and human rights-related standards, such as: The Responsible Business Alliance Code of Conduct (RBA), UN Global Compact, International Labor Office Tripartite Declaration of Principles, the OECD Guidelines for Multinational Enterprises, UN Universal Declaration of Human Rights, the UN Human Rights Norms For Business, and the UN Guiding Principles on Business and Human Rights, as well as local laws and regulations where we operate. We have also formulated human rights policies and established management mechanisms to protect employees' human rights. The Company prohibits any workplace discrimination based on race, color, nationality, gender, sexual orientation, age, marital status, political affiliation, religious belief (or any other personal characteristics that are not related to work performance), including but not limited to speech. Nor do we use any of the preceding characteristics as criteria for employee recruitment, evaluation, or promotion. Anti-sexual harassment The Company has formulated internal measures such as the "Workplace Sexual Harassment/Workplace Bullying Reporting and Punitive Measures" to prohibit any intentionally offensive, hostile, or harmful harassment behavior in the workplace, including but not limited to sexual harassment, bullying, threats, and intimidation. In order to establish a workplace culture that is safe, respectful, has zero tolerance on discrimination or harassment, and has mutual respect and tolerance as well as equal opportunities, the Company provides human rights-related education and training to protect employees' rights and interests and to enhance their awareness and attention of relevant issues. Three courses were offered in 2023, with topics covering workplace ethics and compliance, workplace bullying prevention, etc. The total number of participants in human	In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice
			rights-related education and training reached 134, reaching a cumulative 368 hours of training. In 2023 and 2022, the Company achieved the following goals aiming to protect labor rights: (1)No occurrence of discrimination incidence or filing of relevant grievance; (2)no infringement on the rights to free association and collective bargaining; (3)no employment of child labor; (4) no occurrence of forced or involuntary labor; (5) no material labor dispute; (6) no delay in handling employee opinions and complaints, or accumulation of such cases. The Company's important goals aiming to protect human rights: (1) No occurrence of discrimination incidence or filing of relevant grievance; (2)no infringement on the rights to free association and collective bargaining; (3)no employment of child labor; (4) no occurrence of forced or involuntary labor; (5) no material labor dispute; (6) no delay in handling employee opinions and complaints, or accumulation of such cases.	

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(II) Does the company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?	✓		1. The Company abides by the Labor Standards Act and applicable laws and regulations when devising the various components of employees' remuneration, leave, and welfare measures: (1) Remuneration: The Company has a Remuneration Committee, which distributes employee remuneration based on the Company's business performance in the current year. In addition, the Company also distributes employee bonus, year-end bonus, and performance bonus in a reasonable manner by looking at the results of employee evaluation carried out periodically, and by examining each division's and department's business performance, in order to share the Company's business performance and achievements with all employees. (2) Diversity and equality in workplace: The Company has always attached great importance to equal rights between men and women. Female employees account for approximately 41.7% of all employees, female senior managers account for approximately 33.33%, and there are also women on the Board of Directors. In addition, the Company is also committed to providing employment opportunities for people with physical and mental disabilities, and has been employing persons with	In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Implementation items	Implementation			Deviations from Sustainable
			disabilities since 20 years ago. We are currently employing a total of 4 people with disabilities. (3) Leave and welfare measures: The Company has set up its Employee Welfare Committee, which is responsible for devising welfare measures, including money gifts for new year and festivals, money gift for birthday, subsidies for domestic and overseas tour, subsidies for funeral, marriage, and childbirth, condolence money for hospitalization due to work-related injury or ordinary injury, paternal leave, scholarships and grants for employees' children who attain exceptional scores, subsidies for establishment of health-promoting clubs, education and trainings for labors, and group insurance and health checkup for employees, and periodically organizing arts and cultural lectures and entertainment events. Physicians and registered nurses are employed to give habitual on-site healthcare consultations from time to time. The Company has also set up its Employee Stock Ownership Trust Committee to encourage employees to put their stock in trust 2. The Company's supervisory and non-supervisory positions receive annual performance evaluations on a regular basis every year. New employees who have been employed for 3 months are also required to undergo a new employee evaluation. Based on performance results, employees with excellent performance will be rewarded to help colleagues establish goals and a sense of achievement; alternatively, improvement suggestions and training plans are provided for employees with poor performance. We also re-examine or adjust their work content and directions for improvement. We continue to enhance LaserTek's competitive advantage through providing a fair and equitable reward and	

Implementation items	Implementation			Deviations from Sustainable
			punishment system. 3. All employees are made aware of the Company's compensation system through new employee training and internal email announcements. In particular, the salary payment is divided into fixed and variable salaries. The fixed salaries are paid monthly, and the payment standard refers to industry standards and statistical data from the labor market, and is adjusted in a timely manner by taking into account the position, nature of work, professional ability, and workplace supply and demand for such position. On the other hand, variable salaries come from year-end bonuses and employee bonuses distributed based on operating conditions and work performance. The remuneration and benefits of personnel with ranks of Senior Manager or above must be submitted to the Remuneration Committee and the Board of Directors for approval to enhance the transparency of corporate governance and remunerations.	

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(III) Does the Company provide a safe and healthy working environment and provide employees with regular safety and health training?	✓		To protect employees' safety and health and prevent occurrence of work-related accidents, and to achieve our goal of "zero disaster and zero incident", LaserTek has formulated the "Occupational Safety and Health Work Rules" and "Occupational Safety and Health Management Plan" in accordance with the "Occupational Safety and Health Act" and other applicable laws and regulations. The Company establishes its "Occupational Safety and Health Committee", has each department establish an occupational safety and health unit/to manage workers and emergency medical technicians, and also regularly inspect local laws and regulations to examine the degree of compliance of internal management measures and systems. In addition, we also review whether substances prohibited by LaserTek are being used or stored through regular occupational hazard identification and risk evaluation, and also engage in risk assessment and inspection of the storage and documentation management of substances including organic solvents to ensure the safety of our operating environment. Safety and health training are also organized every year so that employees can learn necessary safety knowledge at work as well as improve their disaster and emergency response capabilities. A total of 33 hours of education and training courses on occupational safety and health were also held in 2023 and were participated by 197 persons. The Company obtained the Badge of Accredited Healthy Workplace from the Health Promotion Administration, MOHW in both 2018 and 2021; the badge is valid through the end of 2023. The scope of this badge covers all of LaserTek's operations in Taiwan. In 2023, none of the Company's operators in a job of special operation was found of any anomaly associated with their jobs, and there was no work-related injuries or death. In addition, the Company has received the certificate of record of accident-free work hour for 11 consecutive times from the Industrial Safety and Health Association of the R.O.C and was included in the List of Enterprises with Exceptional Performance in Promoting the Accident-free Work Hour Record. The occupational safety and health management measures and safety and health training that the Company has implemented are as follows:	In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Implementation items	Implementation	Deviations from Sustainable

(1) Occupational health and safety management measures:

Item	Description
Personal protective equipment	For high-risk work environments where manufacturing departments may be exposed to dust and noise, relevant protective equipment such as masks, earplugs, and waist protectors are provided.
Employee health examination	The Company arranges health examinations for all employees every two years, and provides regular annual physical examinations for special operations (noise and n-hexane) for on-site operators. On-site medical staff will engage in tiered health management based on the examination reports and follow-up on the health status.
Employee work environment inspection	Environmental monitoring is conducted every six months. Monitoring criteria include carbon dioxide, noise levels, and n-hexane to ensure that their concentrations and values do not exceed normal values.
Building public safety inspection	Building public safety inspections are conducted every two years to ensure that fire escape routes are unobstructed and that the facilities and equipment are safe, thereby prolonging the availability of escape time and reduce the level and scale of impact for when a disaster does strike. In addition, responsible personnel also inspect the production plants every month to ensure that fire escape facilities are unobstructed and the equipment are safe.
Fire safety inspection	In order to ensure the fire safety equipment are operating normally for when a fire occurs and to minimize the disaster, the Company cooperates with relevant units to conduct annual inspections before the end of each year.
Organic solvent management	When purchasing relevant items and when such items enter the factory, the Purchasing Department will notify relevant managers to conduct an inventory and to store them in a centralized manner for management.
First aid staffing	Each plant has at least one person with a first-aid certificate to ensure that if an illness or accidental injury, or even a life-threatening situation occurs in the plant, the pain or the life-threaning risk could be reduced before medical staff can arrive or the patient is hospitalized.

<table>
<tr><th rowspan="2">Implementation items</th><th colspan="3">Implementation</th><th rowspan="2">Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>(2) Safety and health training:
<table><tr><th>Name of courses provided in 2023</th><th>Number of trainees (headcount)</th><th>Number of training hours (headcount)</th></tr><tr><td>Labor safety and health training for new employees</td><td>46</td><td>184</td></tr><tr><td>Fire education and training</td><td>31</td><td>124</td></tr><tr><td>Disaster and emergency response</td><td>101</td><td>404</td></tr><tr><td>On-the-job training for lifting machine operators (external training)</td><td>3</td><td>9</td></tr><tr><td>Professional training for first aid personnel (external training)</td><td>5</td><td>30</td></tr><tr><td>On-the-job training for occupational safety and health managers (external training)</td><td>6</td><td>36</td></tr><tr><td>Fire prevention managers (external training)</td><td>5</td><td>54</td></tr></table></td><td></td></tr>
</table>

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(IV) Does the Company have in place effective tools to help employees with career planning and development?	✓		Since exceptional talents are LaserTek's most important assets, the Company values employees' learning and occupational competency development and encourages them to take the initiative to learn and apply the knowledge and skills they have learned to their work. This will help them to enhance their work quality, increase productivity, achieve our human resources development goals, and become the growth driver to our sustainable operations. Upholding Chairman CHENG, TSAI-HSIN's philosophy of "employee recruitment should enhance their occupational value", LaserTek is committed to establishing the competitive advantage of lifelong employment for employees, and promises to sponsor unlimited education and training expenses for talent cultivation and development. Through constructing the knowledge management process and knowledge sharing mechanism, we have established a mechanism that cultivates innovative talents while continuing to improve the Company's education and training system. In addition, training is given in multiple methods ranging from in-class sessions, work practice, and external training. In order to ensure the reliability and accuracy of the training process, LaserTek began to participate in the Talent Quality-management System (TTQS) program of the Workforce Development Agency, MOL in 2015, and were immediately awarded with a bronze medal in the first evaluation we received. After years of continuous adjustments and improvements, LaserTek was honored with gold medal in 2021 and 2023 in recognition of our efforts. By integrating our "hard skills" with "soft skills", we continuously enhance LaserTek's competitiveness, and will continue to develop infinite possibilities and to constantly transform and grow in the future. In order to provide the best learning environment for our employees, the Company's Human Resources Division of the Administration Department is responsible for planning the training courses, promoting various learning and training activities and talent development, and functional improvement projects. To pass on knowledge, skills and experience, LaserTek has formulated procedures for internal lecturers, which allows colleagues to create personal value and cultivate internal talents within the Company through sharing their experiences and technical competencies. As of now, LaserTek has a total of 38 internal lecturers. In addition, in 2023, the average training hours for each LaserTek employee has reached 18.47 hours, of which the average training hours for male workers was 16.61 hours and the average training hours for female workers was 21.24 hours. LaserTek's well-rounded employee training system	In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

<table>
<tr><td></td><td></td><td></td><td>Implementation</td><td></td></tr>
<tr><td>Implementation items</td><td>Yes</td><td>No</td><td>Summary</td><td>Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</td></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td>General staff</td><td>Junior managers</td><td>Mid-level and senior managers</td></tr>
<tr><td>Core functions</td><td colspan="3">● New employee orientation training
● Corporate culture course
● Interpersonal communication course
● Other general knowledge courses</td></tr>
<tr><td>Professional functions</td><td colspan="2">● Professional functional training
● Business etiquette course
● Language proficiency course</td><td>● Professional functional training
● Financial training courses
● Procurement training course
● Legal amendment course</td></tr>
<tr><td>Management functions</td><td>-</td><td>Management courses for junior managers:
● Subordinate training
● Team leadership
● Communication skills</td><td>Management courses for mid-level and senior managers:
● Strategic analysis
● Decision-making ability
● Subordinate training
● Advanced communication and management
● Innovation and improvement</td></tr>
<tr><td rowspan="2">Talent cultivation</td><td colspan="3">Training course for management reserve</td></tr>
<tr><td>-</td><td colspan="2">● Training course for internal lecturers
● TTQS training courses
● R&D and innovation training courses</td></tr>
<tr><td>Self-development training</td><td colspan="3">● External seminars
● On-the-job training</td></tr>
</table>
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Implementation items</th><th colspan="3">Implementation</th><th rowspan="2">Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>The total number of participants in employee education and training courses in 2023 reached 1,168 persons, and the average number of hours of employee training per person was 18.47 hours.
<table><tr><th>Course item</th><th>Total number of trainees</th><th>Total number of hours</th></tr><tr><td>Management</td><td>81</td><td>331</td></tr><tr><td>Liberal</td><td>515</td><td>949</td></tr><tr><td>Professional</td><td>119</td><td>722</td></tr><tr><td>Quality assurance</td><td>99</td><td>168.5</td></tr><tr><td>Occupational safety and environmental protection.</td><td>228</td><td>989</td></tr><tr><td>Occupational competency</td><td>126</td><td>387</td></tr><tr><td>Total</td><td>1,168</td><td>3,546.5</td></tr></table></td><td></td></tr>
</table>

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(V) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety,customer privacy,and marketing and labeling of products and services, and are relevant consumer protection or customer rights protection and grievance procedure policies implemented?	✓		The Company values after-sale service to customers, and has formulated standard operating procedures for handling customer complaints. A technical support tab and stakeholders tab are made available on the Company's website in order to provide a channel for customers to get technical consultation and file complaints. The Company has formulated the "Customer Satisfaction Management Procedures", which regards customer feedback as an important basis for improving and developing customer relationship and uses multiple channels to understand customer needs. By regularly inspecting, analyzing, and proposing proper improvement plans, the Company has established a comprehensive customer needs and response handling procedures to address the valuable customer feedbacks we receive. The Company regularly conducts satisfaction surveys, in which salespersons regularly send customer satisfaction questionnaires every year to ensure that the Company's efforts in overall quality, business services, technical support, order and delivery, and product quality have reached fruitful results. Once a customer complaint is received, it will be reported to various departments and units, and a review will be proposed in the management review meeting as a reference for managing improvements. The customer satisfaction score in 2023 reached117.68 points (out of 130 points), which is in line with the customer satisfaction target set by the Company. roducts of the Company comply with international safety standards or international environmental protection egulations. In addition, products or packaging materials are marked with compliance information affording to the nvironmental laws, regulations, and requirements of the region where shipment takes place. The Company attaches great importance to customer privacy and confidential information, and manages it with reference to various relevant management measures. We also implement relevant rules and management measures in accordance with the "Information Security Policy" to fulfill our responsibility for customer data protection. In 2023, no infringement of customer privacy rights occurred, nor have we received any customer complaint as a result of misplacing customer data. In case of any concern or occurrence of data leakage, such incident can be reported via LaserTek's whistleblowing and complaint channels. The Company is very committed to customer complaints, and regard them as a driving force for progress. Therefore, LaserTek has formulated customer complaint handling procedures in the hope that through standardized and systematic procedures, customers' opinions can be completely and correctly conveyed to relevant units, and can be properly handled and responded to, so as to protect the rights of customers. Customer complaint system and response Salesperson receives customer complaint → the salesperson notifies the quality control unit → quality control initially informs all units to clarify responsibilities → determines responsibilities and responds to customer → incident is recorded and followed-up → review and improvement of relevant units → operation improvement, prevention and correction, proposal of remedial measures, record and follow-up on progress → reply how the incident is handled → documentation and storage.	In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(VI) Has the Company formulated supplier management policies that require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, and labor rights and requested their reports on the implementation of such regulations?	✓		LaserTek has formulated relevant management methods for both procurement and suppliers. LaserTek's supplier management process includes: New supplier research and assessment, routine evaluation management, major supplier evaluation management and supplier engagement, covering suppliers of raw materials, packaging materials, components, and outsourcing processes. To better let suppliers understand LaserTek's commitment to sustainable development, and in the hope of encouraging suppliers to join us in assuming economic, social, and environmental responsibilities, the Company has formulated the "Supplier Code of Conduct". The content of which covers various aspects ranging from labor, health and safety, environment, business ethics, to management systems, and serves as the basis for suppliers to follow. Moreover, suppliers are required to sign a Commitment to the Supplier Code of Conduct to enhance the sustainability of the supply chain. In 2023, the commitment letter has been signed by all top ten raw material suppliers based on purchasing amount. Regarding the environment, in addition to suppliers being required to formulate environmental policies, audits are also conducted to determine whether suppliers provide products that violate local environmental regulations. On the social front, in addition to prohibiting the employment of child labor under the age of 16, forced labor, or any improper employment discrimination, the Company also requires suppliers to comply with international standards and the local labor and employment-related laws at locations where they operate. In 2023, LaserTek found no major risks or incidents of child labor or forced labor among suppliers. Regarding conflict minerals, although no minerals are used in the manufacturing of LaserTek's products, we strictly prohibit the use of conflict minerals and require suppliers to follow the same rules and to provide products that are not made from conflict minerals. The Company has formulated the "Procedures for Management of Suppliers" and conducts annual evaluations and ad-hoc audits of suppliers in accordance with these procedures, focusing on suppliers of major raw materials (major raw materials include paper tapes, cover tapes, molds, and plastic carrier tape, etc.) Suppliers will be evaluated in writing by the evaluation team, and the evaluation criteria and their weight include: Quality assurance 40%, delivery stability 25%, price 25%, and level of cooperation 10%. The evaluation results are divided into Level A, Level B, and Level C (unqualified suppliers). Suppliers who receive Level B scores will be placed under observation and will be monitored and followed-up. If an unqualified, Level C supplier is currently irreplaceable, we will provide assistance to improve their quality and specify a deadline for improvement. Failure to cooperate will mean that the Company will no longer collaborate with such supplier. A total of 10 suppliers were required to be evaluated in 2023, and the evaluation completion rate was 100%.	In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
V. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Has the Company received assurance or certification of the aforementioned reports from a third-party certification institution?	✓		The Company's website (www.lasertek.com.tw) has set up an ESG Sustainable Development tab, and we regularly disclose the Company's sustainable development information on the website. The Sustainability Report that we have prepared is also disclosed on the Company website for reference. The Sustainability Report published by the Company is prepared in accordance with the new requirements of the 2021 edition of the GRI Sustainability Reporting Standards (GRI Standards), and is structured around the major themes we have identified. A GRI Standards Index is also provided in the Appendix for reference. In addition, content disclosure is also made in accordance with the Task Force on Climate-related Financial Disclosures (TCFD), Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB), and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies. Currently, assurance from third-party certification institute has not been obtained.	In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
VI. Describe the deviations, if any, between actual practice and the sustainable development regulations, if the company has formulated such principles based on the *Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies*: The Company has formulated the "Sustainable Development Best Practice Principles" and established the Sustainable Committee.Daily operations are carried out to promote corporate governance, develop sustainable environment, uphold social benefits, and enhance disclosure on corporate social responsibility information. In addition, the Company urges compliance by all employees and enhances the management of its environmental and social risks and effects. Therefore, the Company's sustainable development implementation did not significantly deviate from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies".				
VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development: 1. For the Sustainability Report compiled by the Company, see the "ESG Sustainable Development" tab on the Company's official website. The Sustainability Report for 2022 was also published by before the end of September 2023. 2. Recusals of Directors due to conflicts of interests: The Company has set out a principle of recusal in its "Rules of Procedure for the Board of Directors' Meetings" as required by the Company Act; up to date, personnel whose interests are involved in a proposal recuse themselves from the proposal. Please refer to the Operation of the Board of Directors. 3. Environmental policy, safety, and health, and the operation thereof: The Company is mainly engaged in processing and production of upper tape, bottom taps, and paper tapes used for packaging SMDs. The Company has also introduced the RoHS requirements. The Company is not a member of those announced by the law to be subject to requirements on water pollution control and air pollution control at the current stage, and is therefore not likely to pollute the environment. In addition, the Company properly maintains the environment surrounding its factories on a regular basis, and fully complies with the requirements of the environmental protection unit of the Export Processing Zone Administration. 4. Human rights: All our employees have equal access to employment opportunities regardless of gender, religion, or political affiliation. We strive to create a good working environment to ensure that employees won't be discriminated or harassed in any way. Further, we have chosen to hire more physically challenged personnel beyond the legal requirement; we assign them an appropriate job and provide them with a friendly and cozy workplace. 5. We always implement corporate social responsibility with an aim to keep our principal base in Taiwan; we employ mainly Taiwanese citizens and provide jobs to the local. 6. Safety and health: We manage safety and health by the government's laws and directions. 7. Community engagement; social contribution; social service; for-benefit conduct: We actively take part in community service, social service, and for-benefit events; we also regularly work with government agencies to provide internship and job to physically challenged students. In addition, we encourage employee to engage in for-benefit events after work. Furthermore, we actively participate in programs aiming to green factory surroundings. The Company regularly and continuously engages in social welfare activities. For information on the Company's corporate sustainable development operations, please refer to the "ESG Sustainable Development" tab on the Company's website and our Sustainability Report. https://www.lasertek.com.tw/				

(VI) Implementation of ethical corporate management and measures and departure from *Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies* and reasons

Item	Implementation status			Deviations from Corporate Social Responsibility Best Practice Principles for TWSE/TPEx listed companies and reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policy and approaches (I) Has the Company established the ethical corporate management policies approved by the Board of Directors and stated the policies and practices in its bylaws or external correspondence to maintain business integrity? Are the Board of Directors and the managerial officers committed in fulfilling this commitment?	✓		(I)The Company's Board of Directors resolved to approve its "Code of Conduct for Directors, Supervisors, and Managers" and "Ethical Corporate Management Best Practice Principles". The Board of Directors and the management exercise their powers prudently and comply with relevant laws and regulations when performing duties, and the Auditing Office also engages in checks and inspections from time to time. The "Corporate Governance" tab, which discloses ethical corporate management information, is available on the Company's website. The Company has also disclosed its "Ethical Corporate Management Best Practice Principles" on the Market Observation Post System. In addition, the Company has also formulated a "Code of Ethical Conduct" to specify the standards that employees must abide by when performing business. The Company's Audit Office also carries out an audit on a regular basis.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
(II) Has the company established a risk assessment mechanism against unethical conduct, analyzed and assessed operating activities with higher risk of unethical conducts on a regular basis, and established prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		(II) To ensure the implementation of ethical corporate management, the Company has established effective accounting and internal control systems. Internal auditors regularly audit compliance with the above systems. The Company's Ethical Corporate Management Best Practice Principles prohibit provision or acceptance of bribes or provision of illegal political contribution.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status			Deviations from Corporate Social Responsibility Best Practice Principles for TWSE/TPEx listed companies and reasons
	Yes	No	Summary	
(III) Does the Company have any measures against dishonest conducts? Are these measures supported by proper procedures, behavioral guidelines, disciplinary actions and complaint systems? Does the Company review the policies on a regular basis?	✓		(III) Currently, the Company has formulated its "Code of Ethical Conduct", which require employees to report to the managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the Code of Ethical Conduct. Appropriate channels are also made available for employees or other personnel to submit suggestions for remediation of unethical conduct. The Company also always attends to the development of ethical corporate management regulations at home and abroad, so as to attain a reference for reviewing and improving the Company's principles of ethics.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status			Deviations from Corporate Social Responsibility Best Practice Principles for TWSE/TPEx listed companies and reasons
	Yes	No	Summary	
II. Implementation of ethical corporate management (I) Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓		(I) The Company's Code of Ethical Conduct stipulates that employees not seek personal gains when performing duties. The Company has formulated the "Supplier Code of Conduct". The content of which covers various aspects ranging from labor, health and safety, environment, business ethics, to management systems, and serves as the basis for suppliers to follow. Moreover, suppliers are required to sign a Commitment to the Supplier Code of Conduct to enhance the sustainability of the supply chain. In 2023, the commitment letter has been signed by all top ten raw material suppliers based on purchasing amount.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
(II) Does the Company have a unit under the Board of Directors that is charged with promoting ethical corporate management and regularly (at least once every year) reports to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	✓		(II) The Company has its Chairman's Office and Legal Affairs Department concurrently responsible for promoting ethical corporate management. Upon becoming aware of any unethical conduct by an enterprise, they will regularly prepare a summary and report to the Board of Directors in each year on the circumstances and how such circumstances are handled. The Company reported to the Board of Directors on November 9, 2023 regarding the Company's implementation of ethical business conduct and risk management.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
(III) Has the Company established policies to prevent conflicts of interests, implemented such policies, and provided adequate channels of communications?	✓		(III) The Company puts in place an interest conflict recusal system for directors in its "Rules and Procedures for Board of Directors Meetings"; according to such system, a director may offer his opinion and answer related questions but is prohibited from participating in discussion of or voting on any proposal of a board of director's meeting where the director or any institution that the director represents is an interested party, and such participation is likely to prejudice the interests of the company;	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status			Deviations from Corporate Social Responsibility Best Practice Principles for TWSE/TPEx listed companies and reasons
	Yes	No	Summary	
			neither shall a director vote on such proposal as proxy for any other director in such circumstances. The Company has also put in place an effective internal control system and other regulations to prevent conflict of interests.	
(IV) Has the Company established effective accounting systems and internal control systems for enforcing ethical corporate management? Has the Company designated its internal audit unit to devise relevant audit plans and audit the compliance with the prevention programs accordingly based on the results of assessment of the risk of involvement in unethical conduct or commissioned a CPA to conduct the audit?	✓		(IV) To ensure the implementation of ethical corporate management, the Company has established effective accounting and internal control systems. Internal auditors regularly audit compliance with the above systems.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
(V) Did the Company periodically provide internal and external training programs on integrity management?	✓		(V) The Company publicizes and emphasizes the core values and relevant content of ethical corporate management at a variety of meetings, and enhances the publicity and emphasis of ethical corporate management principles and their importance at internal eduction and trainings. To implement the Company's ethical business management in practice, a legal and ethical analysis course on Personal Data Protection Act and business secrets was given to the managers in 2023. The total number of participants in the regulatory education and training course totaled 24 persons, and the total number of training hours reached 48 hours. The Company also arranges for employees in the Legal Department to participate in external training courses in order to keep abreast of the latest information and details on regulatory amendments and compliance, and to adapt to the latest regulatory requirements at any time. A total of 13 courses were taken this year, covering business secrets, copyright, personal data protection, labor laws, etc..	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status			Deviations from Corporate Social Responsibility Best Practice Principles for TWSE/TPEx listed companies and reasons
	Yes	No	Summary	
III. Implementation of the Company's whistleblowing System (I) Has the Company established concrete whistleblowing and reward system and have a convenient reporting channel in place, and assign an appropriate person to communicate with the accused?	✓		(I) In order to implement the ethical corporate management policy and actively prevent unethical conduct, the Company has formulated the "Operating Procedures for Handling Whistleblowing Reports" and established a whistleblowing and appeal channel. We strictly prohibit any behavior and situation that violates business ethics. If there is any violation of the relevant local laws and regulations at locations where we operate or the Company's various standards including the Code of Ethical Conduct, the Company will deal with all incidents impartially and will be lenient to any circumstances. Incentives for whistleblowers: Appropriate rewards will be given to those who correct or report violations of the Code of Conduct if the incident is found to be true. In addition, for violations of business ethics, all improper benefits obtained should be recovered and returned to the person or company from whom the benefit was received, and sanctions or combined sanctions should be imposed depending on the severity of the case. Head of the Auditing Office is the only channel for receiving whistleblowing reports, and shall keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing. The Company did not receive any reports from 2021 to 2023.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status			Deviations from Corporate Social Responsibility Best Practice Principles for TWSE/TPEx listed companies and reasons
	Yes	No	Summary	
(II) Has the company established standard operating procedures for investigating reported issues, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	✓		(II)Upon being aware of any suspicious violation of the Code of Conduct spotted from whistleblowing or during routine audit, auditors will gather evidence and investigate the case to verify the violation, and will report their findings internally; thereafter, relevant department will deal with the case depending on the extent of severity. The Company has made available a whisteblowing email box on its website; beyond that, it is also keen to prevent unethical conduct and strictly prohibits any conduct or circumstance in violation of the code of ethical conduct. Any violation will be treated fairly by the Company. The Company's whistleblowing handling procedures: Step1 Occurrence of the incident: Submit a report through the whistleblowing channel. → Step 2 Accepting the reported incidents: After receiving the report, we will immediately convene appropriate personnel to form an investigation team to investigate the content of the report. → Step 3 Incident processing: The investigation team should complete the investigation within 30 working days from the day after acceptance of the whistleblowing incident, and report the incident based on the ranks of the person being reported. Those who have failed to perform their duties should be punished in accordance with Company regulations. If necessary, the relevant departments should be asked to assist in, or the investigation may be outsourced the external professionals. If the incident is found to involve legal violations upon investigation, the person shall be held legally responsible in accordance with relevant laws and regulations. → Step 4 Case closure: The investigation team will submit a written report to the relevant department and to store all relevant documents.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status			Deviations from Corporate Social Responsibility Best Practice Principles for TWSE/TPEx listed companies and reasons
	Yes	No	Summary	
(III) Has the Company adopted measures for protecting the whistle-blower against improper treatment or retaliation?	✓		(III) Employees may elect to whistleblow anonymously; however, the Company encourages them to identify themselves because that will facilitate communication and investigation. Informants who have identified themselves will enable the unit being informed of to take reasonable preventive and protection measures to ensure investigation quality and prevent the informants from being retaliated or improperly treated.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status			Deviations from Corporate Social Responsibility Best Practice Principles for TWSE/TPEx listed companies and reasons
	Yes	No	Summary	
IV. Enhancing information disclosure (I) Has the Company disclosed its integrity principles and progress onto its website and M.O.P.S.?	✓		The corporate governance tab, which provides ethical corporate management information, is available on both of the Company's English website and Chinese website. The Company has also disclosed its Ethical Corporate Management Best Practice Principles on the Market Observation Post System.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
V. The Company shall establish its own Code of Business Integrity based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies" and clearly articulate the differences between its operations and the established code. The Company formulated its Ethical Corporate Management Best Practice Principles by referencing the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies. Since the Company operates by its Ethical Corporate Management Best Practice Principles, there is no deviation between the Company's operations and the principles.				
VI. Other important information to facilitate better understanding of the Company's implementation of ethical corporate management: (e.g. review/revision of the Company's Ethical Corporate Management Best Practice Principles): 1. The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, TWSE/TPEx listing rules, or other laws or regulations regarding commercial activities in order to obtain an basis for implementing ethical corporate management. 2. The Company puts in place an interest conflict recusal system for directors in its "Rules and Procedures for Board of Directors Meetings"; according to such system, a director may offer his opinion and answer related questions but is prohibited from participating in discussion of or voting on any proposal of a board of director's meeting where the director or any institution that the director represents is an interested party, and such participation is likely to prejudice the interests of the company; neither shall a director vote on such proposal as proxy for any other director in such circumstances. 3. According to the Company's "Regulations for Preventing Insider Trading", directors, managers, and employees of the Company are not allowed to confide to another party any Material Inside Information they acquired, or inquire or collect the Company's undisclosed Material Inside Information from those who possess such information, and Material Inside Information that is not gained in the process of performing their business must not be disclosed to others.				

(VII) If the Company has formulated a corporate governance code of conduct and related guidelines, the method of access to such code and guidelines must be disclosed:

1. The Company has formulated the following internal regulations according to the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and other laws and regulations promulgated by the securities competent authority:
   (1) Procedures for the Acquisition or Disposal of Assets
   (2) Procedures for Loaning of Funds and Making of Endorsements/Guarantees
   (3) Rules of Procedure for Shareholders' Meetings
   (4) Rules of Procedure for the Board of Directors' Meetings
   (5) Rules of Election for Directors and Supervisors
   (6) Rules Governing the Scope of Powers of Independent Directors
   (7) Rules Governing the Scope of Powers of Supervisors
   (8) Remuneration Committee Charter
   (9) Corporate Social Responsibility Best Practice Principles
   (10) Corporate Governance Best-Practice Principles
   (11) Best Practice Principles for TWSE/TPEx Listed Companies
   (12) Code of Ethical Conduct
   (13) Procedures for Handling Material Inside Information
   (14) Regulations for Preventing Insider Trading
   (15) Regulations for Supervision and Management of Subsidiaries
   (16) Regulations for Transaction with Related Parties
   (17) Regulations for Financial and Business Affairs between Affiliates, Related Parties, Specific Companies, and Group Entities.
   (18) Regulations for Managing Financial and non-financial Information.
   (19) Checklist for Assessing the Independence and Compliance of Appointed CPAs
   (20) Standard Operating Procedures for Handling the Requests of Directors

2. Inquiry method: Relevant regulations have been disclosed in the annual report and meeting handbook; Please visit the Market Observation Post System at http: //newmops.tse.com.twor the Company's website at: http://www.lasertek.com.tw to view relevant finance, business, and corporate governance information.

(VIII) Other significant information which may improve the understanding of corporate governance and operation may be disclosed together:

I. The Company continues to invest resources to enhance corporate governance operation. Board members are composed of the management team and external personnel in equal proportion. The board currently has two independent directors, who compose the Remuneration Committee.

II. Members of the Company must comply with laws and regulations and the Company's internal regulations and refrain from any unethical conduct.

III. A description of the state of corporate governance is made available in a dedicated space on the Company's official website and internal website, where corporate governance regulations are also available for internal and external personnel to view and download.

(IX) Status of implementation of internal control system

1. Statement of Declaration on Internal Control

LaserTek Taiwan Co., Ltd.

Statement on Internal Control System

Date: March 14, 2024

This Statement of Internal Control System is issued based on the self-evaluation results of the Company for year 2023:

I. The Company takes recognizance of the fact that the establishment, execution, and maintenance of its internal control system are the responsibilities of the Company's Board of Directors and managers; such policies have been implemented throughout the Company. The purpose is to provide reasonable assurance to the effectiveness and efficiency of business operations (including profitability, performance, and security of assets), reliability, promptness, and transparency of reports, and compliance with relevant regulatory requirements in reaching compliance targets.

II. There are inherent limitations to even the most well designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the three aforementioned goals. Moreover, the operating environment and situation may change, impacting the effectiveness of the internal control system. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.

III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in Governing Regulations for Public Company's Establishment of Internal Control System (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The measures based on which to evaluate the internal control system adopted under the Governing Regulations are its five underlying elements, namely: 1. control environment, 2. risk assessment and reaction, 3. control process, 4. information and communication, and 5. supervision. Each of the elements in turn contains certain audit items. Please refer to "Governing Regulations" for details.

IV. The Company has adopted the aforementioned measures for an evaluation of the effectiveness of the design and implementation of the internal control system.

V. Based on the findings of the aforementioned examination, the Company believes it can reasonably assure that the design and implementation of its internal control system as of December 31, 2023 (including supervision and management of subsidiaries), including the effectiveness and efficiency in operation, reliability, promptness, and transparency of reports, and compliance with relevant regulatory requirements, have achieved the aforementioned objectives.

VI. This statement constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. The Company shall be legally liable under Articles 20, 32, 171 and 174 of the Securities and Exchange Act with respect to any unlawful aspects such as falsehood or concealment of facts in relation to the aforesaid statement.

VII. This Statement has been passed by the Board of Directors Meeting of the Company on March 14, 2024, where 0 of the 7 attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

LaserTek Taiwan Co., Ltd.

Chairman CHENG, TSAI-HSIN Signature and Seal

President: HUANG, MENG-I Signature and Seal

2. If the Company engages an accountant to examine its internal control system, disclose the CPA audit report: N/A.

(X) Disciplinary actions imposed by law on the Company or its employees, disciplinary actions imposed by the Company on its employees for violation of internal control regulations, and the possible significant impact such disciplinary actions might have on shareholder equity or securities prices, as well as the content of the disciplinary actions and deficiencies and improvements in the most recent year and up to the publication date of this Annual Report: N/A.

(XI) Important resolutions made during shareholders' meetings and board of directors' meetings in the past year and up to the publication date of this annual report:

1. Shareholders' Meeting

Date	Important resolutions	Implementation
2023.06.20	Ratification of the Company's 2022 business report and financial statements.	Disclosed on the Market Observation Post System after being approved by the shareholders' meeting through a resolution.
	Ratification of 2022 earnings distribution proposal.	(1) Resolved to distribute cash dividends of NT$1.5 per share. (2) Authorized the Chairman to set the record date for Saturday, July 22, 2023 and the payable date for Tuesday, August 8, 2023.

2. Important resolutions of the Board of Directors

Date	Important resolutions	Note
2023.01.10	1.Resolved to approve the Remuneration Committee's proposal on the Company's "Amount of year-end bonus for managers of 2022 and "Amount of adjusted salary of Managers of 2023." 2.Resolved to approve the Company's additional investment of NT$50 million in "Zhunsheng Innovation Investment Co., Ltd.". 3.Resolved to formulate the Company's Sustainable Development Committee. 4. Resolved to approve the Company's application to First Bank for a medium- and long-term financing line of NT$100 million.	All directors attending the meeting approved.
2023.3.24	1.Resolved to pass the proposal on distribution of remuneration to the Company's managers, Directors, and Supervisors of 2022. 2.To submit the Company's 2022 financial statements and	All directors attending the meeting

	consolidated financial statements. 3.Approved the Company's Earnings Distribution Table. 4.Resolved the approve the proposal to replace the financial report attesting CPAs. 5. Resolved to pass the proposal on evaluation of the Company's attesting CPAs' independence. 6. Resolved to approve the Company's application for credit facilities from banks in 2023 for use as working capital 7.Approved matters relating to convention of the 2023 shareholders' meeting and acceptance of proposals submitted by shareholders' with 1% or more stake. 8.Approved the evaluation over the effectiveness of the Company's internal control system in 2022 and preparation of a Statement of Declaration on Internal Control. 9. Resolved to approve the 2023 business plan.	approved.
2023.05.11	1. Approved the Company's 2023Q1 consolidated financial statements.	All directors attending the meeting approved.
2023.08.08	1. Resolved the proposal from Remuneration Committee on the rules for distribution of managers' remuneration in 2022, and on remuneration to directors and supervisors. 2. Approved the Company's 2023Q2 consolidated financial statements.	All directors attending the meeting approved.
2023.11.09	1. Approved the Company's 2023Q3 consolidated financial statements. 2. Resolved to pass the proposal to acquire 10% of shares in Jie-Yan-Jie-Neng Technology Co., Ltd. 3. Resolved to pass the proposal to reduce capital by NT$70 million through reinvested subsidiary Jie-Yan-Jie-Neng Technology Co., Ltd. 4. Resolved to approve the formulation of Information Security Committee, and to set up a Chief Information Security Officer and dedicated information security manager and staff. 5. Resolved to approve the Company's 2024 internal audit plan.	All directors attending the meeting approved.
2024.01.25	1. Resolved to approve the Remuneration Committee's proposal on the Company's "Amount of year-end bonus for managers of 2023 and "Amount of adjusted salary of Managers of 2024.	All directors attending the meeting approved.

2024.03.14	1. Resolved to pass the proposal on distribution of remuneration to the Company's employees, Directors, and Supervisors of 2023. 2. To submit the Company's 2023 financial statements and consolidated financial statements. 3. Approved the Company's Earnings Distribution Table. 4. Resolved to pass the proposal on evaluation of the independence and competence of the Company's attesting CPAs. 5. Resolved to approve the Company's application for credit facilities from banks in 2024 for use as working capital 6. Approved matters relating to convention of the 2024 shareholders' meeting and acceptance of proposals submitted by shareholders' with 1% or more stake. 7. Approved the evaluation over the effectiveness of the Company's internal control system in 2023 and preparation of a Statement of Declaration on Internal Control. 8. Approved the proposal to revise the Company's Management Procedures for Convening Audit Committee Meetings, internal control system, and rules for enforcement of internal audit. 9. Resolved to approve the 2024 business plan.	All directors attending the meeting approved.
2024.05.08	1. Approved the Company's 2024Q1 consolidated financial statements. 2. Approved the proposal to acquire 35% of shares in Cheng Feng Construction Co., Ltd.	All directors attending the meeting approved.

(XII) Different opinions expressed by directors or supervisors on important resolutions passed by the board of directors for which there exist records or written statements, in the most recent year and up to the date of publication of the Annual Report:

N/A.

(XIII) Resignation and dismissal of professional managerial officers related to the financial report including Chairman, President, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, Chief Governance Officer, and Chief R&D Officer in the past year and up to the date of report:

N/A.

V. Compensation for the service of the external auditor

(I) Disclose the audit fee and non-audit fee paid to attesting CPAs and their CPA firm and the firm's affiliates; additionally disclose the non-audit service content.

Unit: Thousand NTD

Name of accounting firm	Name of Accountants	Accountant's duration of audit	Audit fee	Non-audit fee	Total	Note
PwC Taiwan	A-Shen Liao	2023	2,770	705	3,475	Non-audit fees are composed of fees for tax document attestation, fees for check for change in business activities, fees for bonded tax document attestation, and reimbursed expenses including printing fees, gasoline fees, and transportation fees.
	Kuo-Hua Wang					

Disclose the following matters if any of the following circumstances applies:

1. If the accounting firm has been changed and the annual audit fees were lower for the year of the firm change compared to that of the previous year, audit fees before and after the changes and the reason for such changes should be disclosed:
   The Company did not replace CPAs in the most recent year.

2. If the audit fees have decreased by more than 10% compared to the previous year, the amount, ratio, and reason for the reduction in audit expense should be disclosed:
   The audit fee paid by the Company in the current year did not decrease by more than 10% than the amount paid in the previous year.

VI. Information on change of accountants:

(I) Regarding previous CPA: N/A.
(II) Regarding succeeding CPA: N/A.
(III) Response letter from the predecessor CPA: Not applicable.

VII. If the company's chairman, president, financial manager, or accounting manager has worked at the firm of the certifying accountants or its affiliates within the last year, their name, position, and position at the firm of the certifying accountant or its affiliates should be disclosed:

N/A.

VIII. Share transfer by directors, supervisors, managerial officers and shareholders holding more than 10% equity and changes to share pledging by them in the past year and up to the date of report:

(I) Share transfer by directors, supervisors, managerial officers and shareholders holding more than 10% equity and changes to share pledging by them:

Title	Name	2023		As of April 30, 2024	
		Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares
Chairman	Press Investment Co., Ltd. Representative: CHENG, TSAI-HSIN	0	(1,173,250)	0	0
Institutional Director Representative of the Chairman	CHENG, TSAI-HSIN	0	0	(35,272)	0
Director	Shun-Chih Investment Corp. Representative: YANG, YIN	0	0	0	0
Institutional Director Representative (and concurrently the Vice President)	YANG, YIN	(1,195)	0	0	0
Director	Yong-Si Asset Management Co., Ltd. Representative: CHEN, YUNG-LIN	0	0	0	0
Institutional Director Representative	CHEN, YUNG-LIN	0	0	0	0
Director	CHUANG, YU-KU	0	0	0	0
Independent Director	LIEU, DER-MING	0	0	0	0
Independent Director	HUANG, LAI-FU	0	0	0	0
Independent Director	LIN, YI CHANG	0	0	0	0
President	HUANG, MENG-I	0	0	0	0
Vice President	HSIUNG, HSUEH-YI	0	0	0	0
Chief Financial Officer	TANG, CHING-LING	0	0	0	0

(II) Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counterparty's name, the relationship between that counterparty and the company as well as the company's directors, supervisors, managerial officers, and shareholders with 10% or more stake in the company, and the number of shares transferred or pledged.

Not applicable, because the counterparty to equity transfer or pledge made by the Company’s directors or supervisors is not a related party.

IX. Ten Largest Shareholders Who Are a Relative of One Another:

April 20, 2024

Name	Shares held in person		Shares held by spouse and underage children		Total shareholding by nominee arrangement		The names and relationships between the 10 largest shareholders who are a related party or a spouse, or a relative within the second degree of kinship of one another.		Note
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Title (or name)	Relationship	
Press Investment Co., Ltd. Legal Representative and Representative: CHENG, TSAI-HSIN	6,186,326	7.76%	0	0	0	0	Ho-Hsin Investment Co., Ltd. Yu-Lung Investment Corp.	The chairpersons are the same individual. The chairpersons are elder sister and younger brother of each other.	None
Ho-Hsin Investment Co., Ltd. Legal Representative: CHENG, TSAI-HSIN	3,358,650	4.22%	0	0	0	0	Press Investment Co., Ltd. Yu-Lung Investment Corp.	The chairpersons are the same individual. The chairpersons are elder sister and younger brother of each other.	None
Yu-Lung Investment Corp. Legal Representative: CHENG, YU-FANG	2,546,250	3.20%	0	0	0	0	Press Investment Co., Ltd. Ho-Hsin Investment Co., Ltd.	The chairpersons are elder sister and younger brother of each other.	None
Dedicated Soc Gen European Option Investment Account in the custodian of HSBC Bank (Taiwan) Limited	1,655,000	2.08%	0	0	0	0	None	None	None
LIU, PIN-HSIN	1,480,041	1.86%	0	0	0	0	None	None	None
HSU, JIN-DE	1,250,000	1.57%	0	0	0	0	None	None	None
CHEN, CHIH-HSIANG	766,948	0.96%	15,711	0.02%	0	0	None	None	None
Tian-en Machinery Co., Ltd. Legal Representative: Yu-Ting Huang	705,950	0.89%	0	0	0	0	Yu-Lung Investment Corp.	The chairpersons are related to each other as mother and daughter.	None
Dedicated Berkeley Capital SBL/PB investment account in the custody of Citibank	694,846	0.87%	0	0	0	0	None	None	None
Shun-Chih Investment Corp. Legal Representative: CHENG, YU-HUI	665,722	0.84%	0	0	0	0	Press Investment Co., Ltd. Ho-Hsin Investment Co., Ltd. Yu-Lung Investment Corp.	The chairpersons are elder sister and younger brother of each other. The chairpersons are elder sister and younger brother of each other. The chairpersons are sisters.	None

X. The shareholding of the Company, directors, supervisors, managers, and enterprises that are directly or indirectly controlled by the Company in the same re-invested company:

Unit: share; %

Investee company	Investment by the Company		Investments by Directors, Supervisors, managerial officers and directly or indirectly controlled		Comprehensive investment	
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio
SMD PACKAGING L.L.C.	Note	100%	0	0	0	100%
LASER TEK(SINGAPORE)PTE.LTD	3,820,000	100%	0	0	3,820,000	100%
Jie-Yan-Jie-Neng Technology Co., Ltd.	3,000,000	100%	0	0	3,000,000	100%
SMD INTERNATIONAL CO.,LTD.	0	0%	1,970,000	100%	1,970,000	100%
LASER TEK INTERNATIONAL CO.,LTD.	0	0%	1,905,734	100%	1,905,734	100%
Press (Shanghai) Trading Co., Ltd.	Note	0%	0	100%	0	100%
Laser Tek (Xiamen) Co., Ltd.	Note	0%	0	100%	0	100%
WEIKE SEMICONDUCTOR CO., LTD.	7,600,000	0%	0	100%	7,600,000	100%
Lei-Yu Electronic Plastic Materials(Suzhou) Co., Ltd.	Note	0%	0	100%	0	100%
LASER TEK KUNSHAN CO., LTD.	Note	0%	0	100%	0	100%
Kunshan WEI-CHUNG Cultural and Creative Co., Ltd.	Note	0%	0	100%	0	80%
Taiwan Germagic Biochemical Technology Co., Ltd.	933,750	62.25%	0	0	933,750	62.25%
Liu-Pei-Fa Co., Ltd.	2,000,000	100%	0	0	2,000,000	100%

Note: Being a limited company, it has no shares.

Chapter IV. Fundraising

I. Capital and shareholding

(I) Source and type of share capital: Changes in share capital in the past five years and during the current year up to publication date

Unit: share; NT$ April 30, 2024

Month/ Year	Issue price	Authorized capital		Paid-in capital		Note		
		Number of shares (shares)	Amount (NT$1)	Number of shares (shares)	Amount (NT$1)	Share capital source	Shares acquired by non-cash assets	Others
2006.02	10	90,000,000	900,000,000	63,815,307	638,153,070	Reduction of treasury stock(Note 1)	-	-
2007.08	10	90,000,000	900,000,000	68,206,072	682,060,720	Capitalization of profits(Note 2)	-	-
2008.08	10	90,000,000	900,000,000	71,734,314	717,343,140	Capitalization of profits(Note 3)	-	-
2009.02	10	90,000,000	900,000,000	69,530,614	695,303,140	Reduction of treasury stock(Note 4)	-	-
2009.08	10	90,000,000	900,000,000	71,591,804	715,918,040	Capitalization of profits(Note 5)	-	-
2010.09	10	120,000,000	1,200,000,000	75,659,450	756,594,500	Capitalization of profits(Note 6)	-	-
2011.02	-	90,000,000	900,000,000	75,691,631	756,916,310	Common shares converted from convertible corporate bonds(Note 7)	-	-
2011.05	-	90,000,000	900,000,000	75,781,283	757,812,830	Common shares converted from convertible corporate bonds(Note 8)	-	-
2011.08	-	90,000,000	900,000,000	76,606,559	766,065,590	Common shares converted from convertible corporate bonds(Note 9)	-	-
2011.09	10	90,000,000	900,000,000	84,175,722	841,757,220	Capitalization of profits(Note 10)	-	-
2011.11	10	90,000,000	900,000,000	80,175,722	801,757,220	Reduction of treasury stock(Note 11)	-	-
2012.04	10	90,000,000	900,000,000	77,375,722	773,757,220	Reduction of treasury stock(Note 12)	-	-
2012.09	10	90,000,000	900,000,000	83,061,376	830,613,760	Capitalization of profits(Note 13)	-	-
2013.08	10	90,000,000	900,000,000	85,506,207	855,062,070	Capitalization of profits(Note 14)	-	-
2014.01	10	90,000,000	900,000,000	83,939,207	839,392,070	Reduction of treasury stock(Note 15)	-	-
2014.02	10	90,000,000	900,000,000	83,954,589	839,545,890	Common shares converted from convertible corporate bonds(Note 16)	-	-
2020.04	10	90,000,000	900,000,000	83,873,589	838,735,890	Reduction of treasury stock(Note 17)	-	-
2022.10	10	120,000,000	1,200,000,000	79,679,910	796,799,100	Capital reduction by cash(Note 18)	-	-

Note 1: Jia-Shou-Gao-Zi No.09500300370 dated March 15, 2006.
Note 2: Jia-Shou-Gao-Zi No.09600302270 dated April 20, 2007.
Note 3: Jia-Shou-Gao-Zi No.09700302180 dated August 22, 2008.
Note 4: Jia-Shou-Gao-Zi No.09800300330 dated February 17, 2009.
Note 5: Jia-Shou-Gao-Zi No.09800302000 dated August 3, 2009.
Note 6: Jia-Shou-Gao-Zi No.09900302350 dated September 3, 2010.
Note 7: Jia-Shou-Gao-Zi No.10000300300 dated February 1, 2011.
Note 8: Jia-Shou-Gao-Zi No.10000301330 dated May 6, 2011.
Note 9: Jia-Shou-Gao-Zi No.10000302360 dated August 11, 2011.
Note 10: Jia-Shou-Gao-Zi No.10000302650 dated September 30, 2011.
Note 11: Jia-Shou-Gao-Zi No.10000303080 dated November 22, 2011.
Note 12: Jia-Shou-Gao-Zi No.10100300860 dated April 19, 2012.
Note 13: Jia-Shou-Gao-Zi No.10100302100 dated September 4, 2012.
Note 14: Jia-Shou-Gao-Zi No.10200302060 dated August 28, 2013.
Note 15: Jia-Shou-Gao-Zi No.10300300050 dated January 7, 2014.
Note 16: Jia-Shou-Gao-Zi No.10300300280 dated February 13, 2014.
Note 17: Jia-Shou-Gao-Zi No.1094100072 dated June 4, 2020.
Note 18: Jia-Shou-Gao-Zi No.1114100153 dated October 4, 2022.

April 30, 2024 / Unit: shares

Type of Shares	Authorized capital			Note
	Outstanding shares	Unissued shares	Total	
Common shares	79,679,910	40,320,090	120,000,000	Outstanding shares are all listed on the TPEx

(II) Shareholders

April 20, 2024

Shareholders / Quantity	Government agencies	Financial institutions	Other corporations	Individuals	Foreign institutions and foreigners	Total
Number of people	0	0	182	31,815	50	32,047
Number of shares held	0	0	14,892,402	59,954,112	4,833,396	79,679,910
Shareholding ratio (%)	0	0	18.69	75.25	6.06	100.00

(III) Ownership dispersion status

April 20, 2024

Shareholding range	Number of shareholders	Number of shares held	Shareholding ratio (%)
1 to 999	22,261	1,621,001	2.03
1,000 to 5,000	7,883	15,680,797	19.68
5,001 to 10,000	989	7,783,361	9.77
10,001 to 15,000	286	3,641,710	4.57
15,001 to 20,000	192	3,532,265	4.43
20,001 to 30,000	157	4,104,498	5.15
30,001 to 40,000	88	3,153,423	3.96
40,001 to 50,000	44	2,029,217	2.55
50,001 to 100,000	72	5,074,872	6.37
100,001 to 200,000	36	4,931,637	6.19
200,001 to 400,000	24	6,478,296	8.13
400,001 to 600,000	5	2,339,100	2.94
600,001 to 800,000	4	2,833,466	3.56
800,001 to 1,000,000	0	0	0
Over 1,000,001	6	16,476,267	20.67
Total	32,047	79,679,910	100.00

(IV) List of major shareholders

A list of all shareholders with a stake of 5% or greater, or the names of the top ten shareholders

April 20, 2024

Shares / Name of major shareholders	Number of shares held	Shareholding ratio (%)
Press Investment Co., Ltd.	6,186,326	7.76%
Ho-Hsin Investment Co., Ltd.	3,358,650	4.22%
Yu-Lung Investment Corp.	2,546,250	3.20%
Dedicated Soc Gen European Option Investmen Account in the custodian of HSBC Bank (Taiwan Limited	1,655,000	2.08%
LIU, PIN-HSIN	1,480,041	1.86%
HSU, JIN-DE	1,250,000	1.57%
CHEN, CHIH-HSIANG	766,948	0.96%
Tian-en Machinery Co., Ltd.	705,950	0.89%
Dedicated Berkeley Capital SBL/PB investmen account in the custody of Citibank	694,846	0.87%
Shun-Chih Investment Corp.	665,772	0.84%

(V) Market Price, Net Worth, Earnings, and Dividends per Share in the Last Two Years

Unit: NT$1,000

Item / Year			2022	2023	Year-to-date through March 31, 2024 (Note 8)
Stock price (Note 1)	Highest		41.65	36.80	42.55
	Lowest		23.7	25.10	31.20
	Average		29.52	29.50	36.20
Net worth per share (Note 2)	Before distribution		21.20	22.60	23.64
	After distribution		19.70	(註 2)	-
Earnings per share	Weighted average number of shares (in thousands of shares)		82,805	79,680	79,680
	Earnings per share (Note 3)	Before retroactive adjustment	1.82	1.84	0.99
		Atter retroactive adjustment	1.82	1.84	(Note 2)
Dividends per share	Cash dividend		1.5	1.5 (Note 2)	
	Stock dividend	Earnings	0	0	0
		Capital surplus	0	0	0
	Accumulated unpaid dividend(Note 4)		0	0	0
Return analysis	Price-earnings ratio (Note 5)		16.22	16.03	36.57
	Price-dividend ratio (Note 6)		19.68	19.67	24.13
	Cash dividend yield (Note 7)		5.08%	5.08%	4.14

Note 1: Highest and lowest market prices per common share for each year, and calculate each year's average market price based upon that year's transaction value and transaction volume.

Note 2: The 2021 earnings distribution proposal was passed by the Board of Directors but not yet approved by the shareholders' meeting.

Note 3: If retroactive adjustments are required due to stock dividends, the Company shall list the earnings per share before and after the adjustment.
Note 4: Note 4: If equity securities are issued with terms that allow undistributed dividends to be accrued and accumulated until the year the Company makes profit, the amount of cumulative undistributed dividends up until the current year should be disclosed separately.
Note 5: Price-earnings (P/E) ratio = Average market price / Earnings per share.
Note 6: Price-dividend (P/D) ratio = Average market price / Cash dividends per share.
Note 7: Cash dividend yield rate = Cash dividend per share / Average market price.
Note 8: Note 8: Net worth per share and earnings per share are based on audited (auditor-reviewed) data as at the latest quarter before the publication date of the annual report. For all other fields, calculations are based on the data for the current year as of the date of publication of the annual report.

(VI) Dividend policy and implementation status

1. Dividend Policy in the Articles of Incorporation：

The Company distributes earnings by its Articles of Incorporation and the requirements of the competent authority. In principle, dividends are paid steadily subject to the earnings of the current year, taking into account the Company's long-term development plan, the overall business environment, an industry's growth characteristics, shareholders' equity, and satisfaction of shareholders' demand for cash inflow. At the end of every fiscal year and after paying all taxes, the Company shall first compensate for past deficits and allocate 10% of the earnings as legal reserves before earnings distribution. The Company may also either appropriate or reverse any special reserve based on business needs and regulatory requirements. In regards to any remaining surplus, along with undistributed earnings, the Company shall at least allocate 30% as shareholders' dividends, in which cash dividends may not be 20% less than the total sum of the shareholders' dividends.

The ratio of the earnings distribution in the preceding paragraph may be adjusted based on the actual profitability, capital budget, and funding status in the year. The Board of Directors shall prepare an earnings distribution proposal, and a resolution from the Shareholders' Meeting shall be required in case the distribution is to be executed by means of new share issuance.

Pursuant to Paragraph 5, Article 240 of the Company Act, when the Company distributes dividends and benefits, or when the Company issues all or part of the statutory surplus reserve and capital surplus via cash pursuant to Paragraph 1, Article 240 of the Company Act, the distribution may only be executed upon a resolution by the majority of the Directors in attendance in a Board meeting attended by two-thirds of all Directors, and reported to the Shareholders' Meeting.

The Company will not issue dividends or benefits when no surplus is generated in a year.

Where the Company incurs no loss, it may distribute its legal reserve and capital reserve, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash.

2. Dividend distributions proposed at the Board of Directors meeting of 2024 (approved by the Board of Directors, pending a report at the Shareholders' Meeting):
The Company's 2023 earnings distribution was approved by the Board of Directors meeting through a resolution on March 14, 2024; the Board of Directors resolved to distribute shareholder dividends of NT$119,520 thousand, or NT$1.5 per share.

Earning distribution plan
2023

Unit: NT$

Item	Amount
Undistributed earnings at the beginning of the year	267,787,716
Reduce：Disposal of investments in equity instruments designated at fair value through other comprehensive income	(302,166)
2023 net profit after tax	146,612,341
Subtotal	414,097,891
Allocations	
Allocation to statutory reserve	(14,631,018)
Reversal of special reserve	66,112,304
Distributable surplus available for the year	465,579,177
Distribution items	
Shareholder dividends－cash dividend (NT$1.5)	(119,519,865)
Undistributed earnings at end of year	346,059,312

Chairman CHENG, TSAI-HSIN	Manager: HUANG, MENG-I	Head of Accounting: TANG, CHING-LING

3. If a material change in dividend policy is expected, provide an explanation:
The Company's dividend policy did not significantly change in the most recent period and is not expected to change significantly in the future.

(VII) Impact of stock dividends approved in this year on the company's business performance and EPS:

The Company is not required to publish financial forecasts for 2024 and this item is therefore not applicable.

(VIII) Remuneration of employees, directors and supervisors

1. Percentages and ranges of remuneration to employees, directors, and supervisors, as specified in the Company's Articles of Association:
   According to the Company's Articles of Incorporation, if a profit is recorded in a year, the Company shall appropriate 2% to 15% of the profit as employees' remuneration, and no more than 5% of the profit as directors'/supervisors' remuneration. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses.
2. Basis for estimating the amount of remuneration of employees, directors and supervisors, basis for calculating the number of shares to be distributed as employee bonus, the actual distributed amount for the current period, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount:
   The basis for estimating the remuneration for employees, directors, and supervisors is set forth in "1.", which specifies that if a profit is recorded in a year, the Company shall appropriate 2% to 15% of the profit as employees' remuneration, and no more than 5% of the profit as directors'/supervisors remuneration. Employee remuneration may be paid in shares. The basis for calculating the number of dividend shares to be distributed is the closing price on the day preceding the date on which the Shareholders' Meeting reaches a resolution, taking into account the effect of ex-dividends. If the amount approved subsequently at the shareholders' meeting differs from the estimated amount, such differences are accounted for as changes in accounting estimates and recognized in the profit or loss in the year in which distribution is made.
3. Remuneration proposals passed by the board of directors:
   (1) Amount of employee, director, and supervisor remuneration distributed in cash or shares:
   The 2023earnings distribution proposal was approved by the Company's Board of Directors meeting dated March 14, 2024; below enumerates the bonus approved to be distributed to employees and remuneration approved to be distributed to directors and supervisors:

Unit: NT$

Item	Amount	Whether differs from the amount estimated and recognized as expenses in the year in which such expenses are recognized
Remuneration for directors and supervisors	7,450,877	No difference.
Remuneration for employees	25,545,863	No difference.

(2) The amount of employee bonus to be paid in stocks out of the current company-level financial report in terms of the sum of net profit after tax and employee bonus:
Not applicable because the employee remuneration will be distributed in cash.

4. Any discrepancy between actual remuneration distribution of employees, directors, and supervisors (including the number of shares, the amount and share price) and the recognized remuneration of employees, directors, and supervisors, and disclosure of the differences, reasons, and responses:
Below is a description of the amount of 2022 employee bonus and director/supervisor remuneration actually distributed and the amount of 2022 employee bonus and director/supervisor remuneration that had been approved by the Board of Directors:

Unit: NT$

Distribution item	Amount originally approved by the Board of Directors	Amount approved at the Shareholders' Meeting through a resolution	Difference
Employee stock dividends	0	0	0
Employee cash dividends	26,773,462	26,773,462	0
Remuneration for directors and supervisors	7,808,927	7,808,927	0

(IX) Buyback of Treasury Stock: N/A.

II. Corporate bond issuance status: N/A.
III. Issuance of preferred stocks: N/A.
IV. Issuance of global depositary receipts (GDR): N/A.
V. Exercise of employee stock option plan (ESOP): N/A.
VI. Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies: N/A.
VII. Implementation of Capital Allocation Plan: N/A.

Chapter V. Business Overview

I. Business Activities

(I) Business scope

1. Major business activities

- Laser-based precision machining
- Manufacture, processing, and sale of laser trimmers.
- Design, manufacture, processing, and sale of testing probe cards.
- Manufacture, processing, and sale of printing materials (silk screen and stencils).
- General international trade (excluding the business subject to special approval).
- C601040 Processed Paper Manufacturing.
- CC01080 Electronics Components Manufacturing.
- C805020 Manufacture of Plastic Films and Bags.
- IZ06010 Tally Packaging.
- F119010 Wholesale of Electronic Materials.
- E903010 Anti-Corrosion and Anti-Rust Engineering.
- CC01120 Data Storage Media Manufacturing and Duplicating.
- F113050 Wholesale of Computers and Clerical Machinery Equipment.
- E603090 Lighting Equipments Construction.
- F113020 Wholesale of Electrical Appliances.
- CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
- ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. The company's main lines of products (services) at present:

- Surface mount device (SMD) integrated circuit (IC) packaging paper tape, cover tape and carrier tape, embossed cover tape, and embossed carrier tape.
- Surface mount technology (SMT) semi-automatic laser marking machine and automatic barcode laser marking machine.
- Ceramic substrate laser scribing/drilling/cutting machine; thick film laser trimmer(using IRLASER); thin film laser trimmer (GREEN LASER); chip trimmer; functional trimmer; flexible board fast drilling and cutting machine; flexible board cutting machine; FR4/FR5 carrier board cutting machine; rigid-flexible board cutting machine; steel plate cutting machine; heat dissipation substrate drilling machine; diamond cutting machine; and wafer trimmer.
- Wholesale of LED lights.
- Wholesale of air purifiers and energy-efficient products.
- Wholesale of antibacterial products.

3. Revenue from major products or main business items as a percentage of operating revenue from major lines of business in 2022:

Unit: NT$1,000

Business item:	2023	
	Amount	Percentage (%)
Tape and reel packaging materials	451,326	38.32
Self-developed laser equipment and sale of equipment in the capacity of an agent	717,557	60.92
Energy and others	8,933	0.76
Total	1,177,816	100.00

4. New products or services planned to be developed:

【1】 New products or services planned to be developed:

Product name	Content
Gen 2 wafer trimmer	● Improve stability of Z-axis Gen 1 in lifting operation ● Improve coaxial CCD precision ● Increase real-time monitoring of laser parameters
Offline wafer trim models	● Incorporate high-speed reflective galvanometer ● to improve the precision of coaxial CCD.
Function trim	● High-end chips can be connected with external instruments to measure while performing functional laser trimming on a chip-by-chip basis ● Overall processing accuracy <1um, processing capacity stability <1%rms ● Customized laser specifications and special laser optical path system
Automotive cavity light guide plate drilling machine	● Introduce coaxial quality inspection function during processing ● Loading on equipment platform can exceed 200KG ● cycle time > 1,000,000 holes/hr
3D automotive electronic module cutter	● Customized laser specifications with higher peak power and processing frequency, thereby improving processing speed and quality. ● Special light processing technology that does not damage the substrate when slicing 3D stacked structures.
Four-headed laser ceramic rapid drilling and processing machine (Gen II)	● 3D Line scan for pre-inspection QC that checks for warpage and deformation of input materials. ● AOI post-inspection of hole size and offset after laser processing. ● The equipment can be programmed to control pre-cut and post-cut process changes, and has composite processing switching characteristics.

【2】 R&D expenditures further expected:

The Company will persist in investing in product research and development to augment market competitiveness; it expects the total research and development expenditures in 2024 to be about NT$50,000 thousand and is estimated to account for 3.5% of revenue.

Unit: NT$1,000

Annual R&D plan	Current progress	R&D expenditures yet to be invested	Time to mass production
Wafer trimmer (Gen II)	Improve coaxial CCD precision Quality is being tested	,	Post-improvement quality verification to be carried out in the factory in May 2024
Function trim	Equipment development has been completed and quality testing is in progress		Conducted quality verification at customer's site in May 2024
AI & AOI SMD defect inspection machine	Optimize detection speed	,	Expected to complete test by June 2024
Four-headed ceramic rapid drilling machine (Gen II)	The axis control improvement and front and rear detection functions have been completed and are being verified in the factory	,	Factory verification is in progress and mass production will be completed in May 2024
3D automotive electronic module cutter	Optimize processing speed and automated integration processes	,	Factory verification is in progress and mass production is expected to be completed by May 2024
LAB heterogeneous laser welding	Design and verification of peripheral temperature measurement experiment	,	Testing to be completed in July 2024, equipment currently under construction
2.5D TSV wafer drilling	Cooperating with customers for quality testing		Quality test expected to completed by June 2024
SIC cutting and drilling	Cooperating with customers for quality testing		Quality test expected to completed by June 2024
Automotive cavity light guide plate drilling machine	Large area array product under verification		Expected to be completed by May 2024

(II) Industry Overview

1. Current trends and outlook of the industry

During the COVID pandemic in 2020, the passive component industry experienced a wave of booming market demand due to the need for information and communication products brought forth by indoor activities such as working from home, distance learning, and home entertainment. However, as the pandemic ceased and the Russo-Ukrainian war broke out in early 2022, causing energy prices to rise and exacerbating global inflationary pressure, central banks in many countries have adopted interest rate hike policies in response, thus suppressing the expected post-pandemic economic recovery. The demand for terminal products has turned from strong to sluggish, and the inventory destocking from upstream manufacturers has also stalled. As a result, the electronic components industry also declined accordingly. In addition, coupled with the impact of the Sino-US war; since passive components are thin, small, and easy to transport, and are not key components in the Sino-US technology dispute, manufacturers are maintaining a fairly conservative attitude towards expanding factories or moving production bases, which has also affected the growth of capital expenditure in the industry.

In 2023, the inventory destocking of global terminal electronic products was far slower than expected, causing delays in the time for the industry cycle to trough. Electronic component products, whether they be high-end or low-end, all experienced the fate of declining annual growth rates in output value. Contrastingly, on the automotive electronics front, thanks to more electronic components being used in cars and the electric car industry increasing its demand, consumption of passive components shot up, from roughly 2,000 passive components per car to roughly 10,000 per car in the era of electric cars. Tesla alone consumed 6 billion MLCCs last year. Therefore, automotive and high-end electronic components continued to show small, partial growth in 2023.

Looking forward to 2024, many uncertain factors continue to affect the market around the world. Even the outputs of major terminal electronic products are still not expected to grow significantly. However, fortunately, as many terminals are coming out with newer generations, the volume and price electronic components contained in them are also expected to grow. Hence, the output value of electronic components is expected to move past the sluggish conditions in the past two years. Take electric vehicles and AI servers as examples. Since each unit of these two electronic products contributes more to the output value of circuit boards, passive components, and displays than ordinary cars or servers, they make significant contributions to the increase in output value. According to data from research institution Research And Markets, the passive component market will maintain steady growth in the next few years.

In the field of semiconductors and other electronic industries, with the rapid development of high-end applications such as AI, unmanned vehicles, and ICT, advanced packaging technology has also emerged. By arranging multiple chips horizontally or vertically, it not only effectively increases the density of transistors, but also opens up new ways to improve chip performance. Advanced packaging also bundles multiple chips such as processors and memories together in a stacked manner to increase the read-and-write performance between the processor and memory. It is critical for applications such as 5G and AI, which require low latency and high transmission speeds.

Different from traditional packaging, which first cuts the wafer into individual chips and then packages them, advanced packaging uses wafer level packaging, where the silicon wafer is first sealed and then sliced. Therefore, the demand for new production equipment to cope with the new process will also increase.

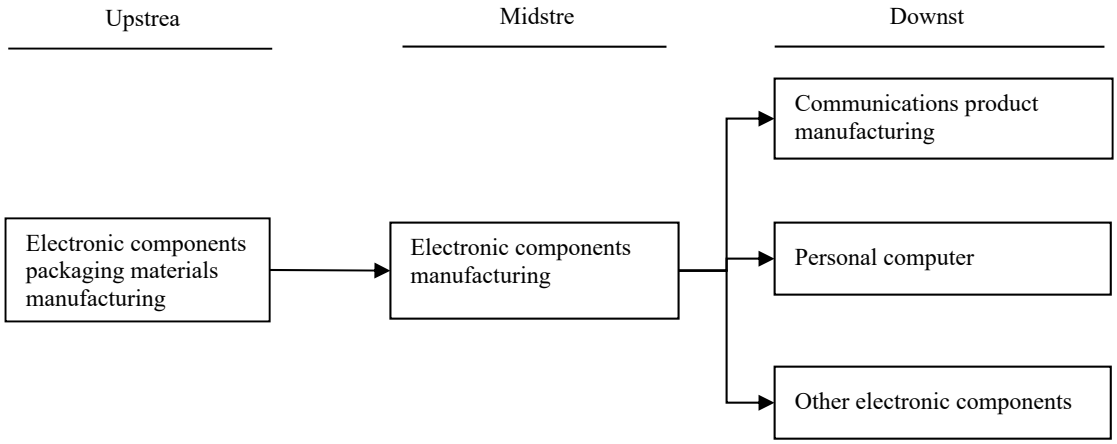
The market share of advanced packaging technology will continue to grow over the next few years, and high performance computing (HPC), consumer electronics, network communications and other fields will become the main application markets for advanced packaging technology. Leading companies that provide wafer and packaging and testing foundry services have actively deployed and invested in this field.

According to the Yole Développement industry analysis report, the increase in demand for advanced semiconductor chips and complex packaging structures, is the main driving force for the growth of the advanced packaging market. It is expectedthat the advanced packaging market will grow to US$65 billion by 2027, and experience an average annual compound growth rate (CAGR) of approximately 10%. In addition, the market share will also increase year by year, and is estimated to reach more than 50% by 2027.

2. Relationships with suppliers in the industry's supply chain

(1) SMD packaging materials

The Company is a processor and seller of SMD packaging materials, sitting somewhere in the mid-stream of the computer, communications, and consumer electronics industry supply chain, with the upstream being suppliers of paper tape, film, and plastic materials and the downstream being electronics component manufacturers. The figure below depicts the association between the upstream, midstream, and downstream of the industry chain where the Company belongs to.

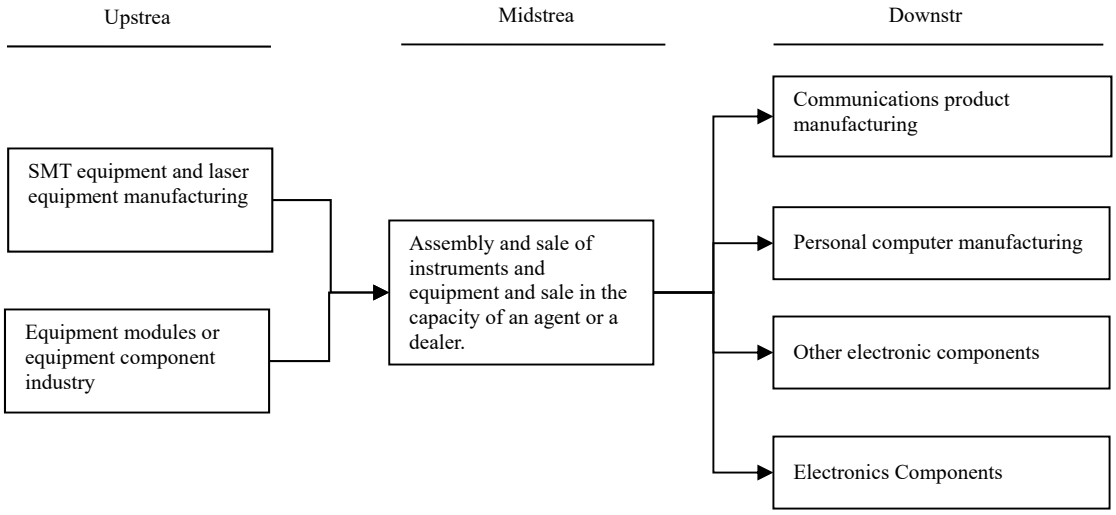


Source: Taiwan Trend Research (TTR) and the Company

(2) Self-developed laser equipment and sale of SMT equipment in the

capacity of an agent.

The Company sells SMT equipment as an agent and engages in the design, manufacture, assembly, and sale of laser equipment, sitting somewhere in the upstream and midstream of the computer, communications, and consumer electronic products supply chain, with the upstream being suppliers of SMT equipment and laser equipment modules or components and the downstream being manufacturers of computer, communications, and consumer electronic products and components. The figure below depicts the association between the upstream, midstream, and downstream of the industry chain where the Company belongs to.



Source: Provided by the Company

3. Product development trends and competition

In recent years, the Company's sales of own-made laser equipment and agency sales of SMT equipment, passive component industry production equipment and etc. have accounted for 60% of our sales mix. Alternatively, sales of electronic component tape and reel materials accounted for about 40%. Therefore, industry development trends and level of competition will be described in terms of equipment products and tape and reel products:

Development trend:

(1) Advanced packaging process application equipment

The semiconductor industry has developed advanced packaging technologies in response to the development of the AI industry, thereby driving demand for related production equipment. In addition to developing new laser equipment technology applications, SMT testing equipment has become

more widely used in advanced packaging processes.

(2) The Artificial Intelligence of Things (AIoT) application

In line with the development of artificial intelligence (AI) technology, using existing equipment and products in coordination with AI development and design can provide users with more flexible and efficient applications. Related technologies and equipment are also applied to the processing of tape and reel materials to improve quality and reduce defective rate.

(3) Demand lies in improved reliability and stable quality

High-end technology equipment and highly stable SMD packaging materials are critical factors for downstream manufacturers to control costs and quality. Thus, the Company will continue to provide cost-effective production equipment and component materials, and cater to market demand by developing and providing customized equipment.

(III) Overview of Technology and R&D

1. Technological levels required for business activities

(1) SMD packaging materials

The Company has gained ground in its paper tape punching technology in that it successfully developed paper tape punching machine that are twice as fast. It developed a piece of mechanism used for locking in the E value of punching process machines, thereby reducing E value-related defect rate and thus customer complaints. In terms of punching quality, its not uncommon in the market that square holes having edge bur or not perpendicularly positioned hinder the smoothness of chip packaging or P&P material suction. The Company also developed the electronic stove burning technology, which has been applied to the tape processing process and is able to deliver higher-quality, burr-free tape to customers. The Company has also independently improved the design of pierce dies, and connected the mechanism used to seal the carried tape to current punching machine, to seal the tape, thereby increasing product added value.

In addition, the Company has component packaging carrier tape made from plastic raw materials. This type of carrier tape is suitable for packaging components such as capacitors, resistors, variable resistors, ICs, LEDs, wire-wound chip inductors, transistors, and semiconductors, and is mainly composed of plastic materials like PC, PS, or PET. The carrier tape is mainly at the

disposal of the semiconductor industry and LED industry. The Company's core technology is its capability to leverage self-developed molds of good quality and special specifications to provide customized service to customers. The Company also introduced high-speed particle accelerator to increase production capacity and maintain supply stability.

(2) SMT laser machinery and equipment:

The Company's Taiwan plant and Singapore plant are in charge of developing and producing various application laser equipment and market them under our own brand, "LaserTek". These products are suitable for various related industries and provide customized services to customers. The laser machinery and equipment developed by the Company has expanded from the passive component industry to the semiconductor and optoelectronic industries. In recent years, in response to market demand, we have developed laser equipment used in advanced packaging processes in the semiconductor industry, providing professional laser technology and customized design services, including wafer trimming/resisting, soft and hard board cutting, high-precision drilling, and scribing and engraving for various applications. We also provide various adhesive removal from different materials, reducing the use of wet processes, and moving towards the future development of ESG in practice.

In the field of laser applications, the Company continues to invest in the research and development of the latest and more extensive laser application equipment.

2.R&D plan and expenditures in the most recent year

Technologies and products researched and developed in 2023:

Year	2023	Sunday, March 31, 2024
Successfully developed technologies and products	(1) wafer trim	(1) Function trim
	(2) Four-headed ceramic rapid drilling machine	(2) Gen 2 wafer trimmer
	(3) 3-In-1 laser marking equipment	(3) 3D automotive electronic module cutter
	(4) Dual-head green light badmark sculpting machine	(4)Gen II

R&D plan and expenditures in the most recent year:

3. Unit: NT$ thousand

Year	2023	Year-to-date through Sunday, March 31, 2024
Research and Development Expenses	31,220	9,958
Ratio to turnover (%)	2.65%	3.49%

3.Project item planned to be developed

Product name	Content
Gen 2 wafer trimmer	● Improve stability of Z-axis Gen 1 in lifting operation ● Improve coaxial CCD precision ● Increase real-time monitoring of laser parameters
Offline wafer trim models	● Incorporate high-speed reflective galvanometer ● to improve the precision of coaxial CCD.
Function trim	● High-end chips can be connected with external instruments to measure while performing functional laser trimming on a chip-by-chip basis ● Overall processing accuracy <1um, processing capacity stability <1%rms ● Customized laser specifications and special laser optical circuit system
Automotive cavity light guide plate drilling machine	● Introduce coaxial quality inspection function during processing ● Loading on equipment platform can exceed 200KG ● cycle time > 1,000,000 holes/hr
3D automotive electronic module cutter	● Customized laser specifications with higher peak power and processing frequency, thereby improving processing speed and quality. ● Special light processing technology that does not damage the substrate when slicing 3D stacked structures.
Four-headed laser ceramic rapid drilling and processing machine (Gen II)	● 3D Line scan for pre-inspection QC that checks for warpage and deformation of input materials. ● AOI post-inspection of hole size and offset after laser processing. ● The equipment can be programmed to control pre-cut and post-cut process changes, and has composite processing switching characteristics.

4.R&D expenditures further expected

The Company will persist in investing in product research and development to augment market competitiveness; it expects the total research and development expenditures in 2024 to be about NT$50,000 thousand and is estimated to account for 3.5% of the revenue in 2024.

(IV) Long- and Short-Term Business Development Plans：

1. Short-Term Development:

(1) Continue to enlarge the sales of each product line

The Company is actively reducing the cost of packaging material products and seeking for more economical materials with good quality in order to reduce the cost of materials and to replace machinery equipment with inferior productivity. By deploying high-speed and effective equipment and reducing the overall costs, we can make our packaging material products more competitive and thereby increase the overall market share. We will also be able to continuously increase our market share among Asian customers.

(2) Continue to research and develop applications of laser equipment and machinery

The Company is committed to in-house R&D of laser equipment products that can be applied to a variety of fields. We will continue to focus on developing new technologies and to provide customers with one-stop product services by developing and manufacturing diverse equipment and machinery to help solve processing challenges at the customers' end, thereby satisfying customers' diverse needs.

2. Long-Term Business Development Plan:

(1) Continue to progress towards the vision of making LASER TEK the largest brand supplier in the global SMT supply chain; adopt a dual-core strategy to develop the business of materials and R&D and manufacturing of equipment.

(2) Deliver a concentric strategy: Adopt a customer-oriented approach and have auxiliary industries or sub-industries to play a more professional supporting role under limited resources. The Company will strive to become the World's first SMT solution provider.

(3) Continue to aggressively research and develop relevant SMT applications like niche products and equipment, so as to deepen and broaden laser applications; seek applications that can be replaced with laser, so as to diversify and customize products, to develop a

blue ocean market and provide momentum for the Company's profits in the future.

(4) Commit to talent development plan by setting global marketing goal and strengthening the Company's human resources; enhance product quality and quantity control and after-sale customer service in order to successfully construe global supply competencies and benefits.

II. Market, production and sales

(I) Market analysis

1. Geographical areas where major products are sold, and the market share thereof

Unit: NT$1,000

Year / Sales region		2023		2022	
		Net operating revenues	As a percentage of net operating revenues (%)	Net operating revenues	As a percentage of net operating revenues (%)
Domestic sales		365,509	31.03	575,485	41.50
Exports	Asia	730,218	62.00	757,849	54.65
	America	39,143	3.32	5,753	0.41
	Europe	42,946	3.65	47,683	3.44
	Africa	0	0	0	0.00
	Subtotal	812,307	68.97	811,285	58.50
Net sales		1,177,816	100.00	1,386,770	100.00

The Company is mainly engaged in the sale of SMD packaging materials and SMT equipment in the capacity as an agent, and manufacture and sale of laser equipment. Packaging materials can be broken down into those for the active component industry and those for the passive component industry. Packaging materials for the passive component industry are sold mainly to Taiwanese, Japanese, and Chinese manufacturers, and we experienced growing revenue from American clients in 2023. Packaging materials for the active component industry are sold mainly to Taiwanese, European, and American semiconductor foundries testing companies. SMT agent equipment and self-made laser equipment products mainly cater to Taiwanese semiconductor and optoelectronic manufacturers.

Self-developed laser equipment is designed and manufactured independently, mainly for the passive component industry, optoelectronics industry, and semiconductor industry. The Company also develops other laser applications tailored to the needs of other industries, particularly those in Asia, e.g., Taiwanese, Japanese, and Chinese companies.

The Company is extremely demanding on quality, and has long

been committed to improving SMT laser equipment application functions, in addition to providing customers with a wider collection of solutions. Furthermore, the Company offers one-stop shopping service, meaning that it offers all SMD materials, laser equipment, and SMT testing instrument throughout the SMT process. In addition, the Company's products are esteemed in the market for their reliable quality.

2. Future market supply and demand and future growth

In 2023, the inventory destocking of global terminal electronic products was far slower than expected, causing delays in the time for the industry cycle to trough. Electronic component products, whether they be high-end or low-end, all experienced the fate of declining annual growth rates in output value. Looking forward to 2024, many uncertain factors continue to affect the market around the world. Even the outputs of major terminal electronic products are still not expected to grow significantly. However, fortunately, as many terminals are coming out with newer generations, the volume and price electronic components contained in them are also expected to grow. Hence, the output value of electronic components is expected to move past the sluggish conditions in the past two years. According to data from research institution Research And Markets, the passive component market will maintain steady growth in the next few years. In addition to continuing to improve the quality of our tape and reel materials, the Company is also developing more competitive materials to meet market demand, and to increase sales to European, American and Japanese customers who have greater demand for high-end products, thereby earning more profits.

In the field of semiconductors and other electronic industries, with the rapid development of high-end applications such as AI, unmanned vehicles, and ICT, advanced packaging technology has also emerged. Different from traditional packaging, which first cuts the wafer into individual chips and then packages them, advanced packaging uses wafer level packaging, where the silicon wafer is first sealed and then sliced. Therefore, the demand for new production equipment to cope with the new process will also increase. According to Yole Développement industry analysis report, it is expected that the advanced packaging market will grow to US$65 billion by 2027, and experience an average annual compound growth rate (CAGR) of approximately 10%. In addition, the market share will also increase year by year, and is estimated to reach more than 50% by 2027.

In terms of the Company's agented sales of SMT testing equipment, as it can be applied to a variety of testing items in advanced processes, the market demand is expected to grow significantly in response to the current

expansion of new processes. In addition, the Company has also developed self-made laser equipment for use in advanced packaging processes. It is also estimated that market demand will gradually increase starting from 2024.

3. Competitive niches

(1) Exceptional management team

The Company's management team, with their impressive experience and technological strengths, are able to skillfully grasp key technologies, product quality, and market trends. The Company’s key management possess immense expertise and years of experience in the passive component industry and laser equipment industry; the R & D and technological support personnel they picked have a good grasp of professional knowledge and market trends of the passive component industry and laser equipment industry. The highly qualified management team provides the Company with a strong foothold in the passive component and laser equipment industries.

(2) Possess core technology platform

Beyond possessing the capability to independently develop and assemble laser application equipment and machinery, the Company is able to offer customers customized design and development service; by providing them with technical and product support during their product development and planning period, the Company is able to provide functions tailored to their needs and product design conductive to further improvement. In this way, the Company’s professional technological strength remains at the international level.

(3) Create a private brand and diversify product portfolio

The Company also sells components and equipment products. SMD packaging material products include cover tapes, paper tapes, and punched tapes etc. We adopt a bundle sales method to provide customers with one-stop purchasing services and reduce operating costs for downstream customers. Equipment products include various SMT equipment, of which we are a long-term sales agent, as well as laser equipment products developed and manufactured by the Company. The types of self-developed equipment products can be used by various industries, and are marketed worldwide under the "LASERTEK" brand. We also hold multiple patents, which help us to increase our market share.

4. Favorable and adverse factors for long-term development, and response measures

(1) Favorable factors:

A. The rise and rapid development of advanced processes and new technologies

In response to the increasing demand for advanced manufacturing processes and the development of the AI industry, the demand for components and related SMT equipment and laser equipment has also grown. The Company is a long-term sales agent for SMT equipment and focuses on the R&D of various new technology applications of laser production equipment in order to accurately seize market trends. The Company has always been committed to the technological innovations of laser equipment over the long-run, and can continue to grow steadily along with the market movements.

B. Diversified product lines across multiple industries

Since the Company's products are sold to multiple electronic industries, the Company is not subject to the economic cycle of a single industry. In addition, being advantageous in having a diverse product portfolio and strong technological strength, the Company is able to maneuver across multiple industries and markets and satisfy customers' demand for a single product or a product portfolio.

(2) Unfavorable factors:

A. SMD packaging materials price competition is becoming fierce

Having independently developed the raw materials requisite for production of packaging materials, Chinese packaging materials manufacturers are able to provide packaging materials at a cost lower than those manufactured using Japanese raw materials. Although such Chinese raw materials are inferior to Japanese counterpart in terms of quality, they have changed the price competition structure in the market for SMD packaging materials. In the future, price competition will become even intense.

Response measures:

The Company keeps using Japanese raw materials, which are of better quality, but it has also substituted low-cost raw materials for those used in some products in order to provide customers with different options. In addition, the Company is keen to replace automated production equipment and develop relevant production technologies to reduce production costs, thereby wining customers' trust with quality products at a competitive price.

B. Some important raw materials need be sourced from abroad.

Paper tape raw materials, a type of critical raw materials used in the Company's products, are still controlled by foreign manufacturers. At present, the market for paper tape raw materials is still controlled by Japanese and Chinese manufacturers; this will lead to volatile price change and short supply once coincided with exchange rate changes and mismatch of demand and supply in the market.

Response measures:

The Company has been maintaining a good and long-term partnership with major suppliers; it does business with multiple suppliers to properly change the sources of purchase in a timely manner, lest purchase is excessively concentrated on a small number of manufacturers. In addition, the Company also actively develops raw materials, to reduce operating risks and dependence on a single supplier.

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(II) Production Procedures of Main Products

1. Applications of main products:

Industry	Product category	Service category
SMD industrial products	Chip packaging tape, paper tape	SMD LED (blue light, white light emitting diode), SMD transistor, SMD diode transient voltage suppressor (TVS), Schottky body, standard diode rectifier (STD Rectifier), fast diode rectifier, ultra fast diode, SMD NTC Thermistor, SMD Varistor, Resistors, Capacitors, Inductors, etc.
	Semiconductor component packaging carrier tape	Ideal for packaging of various components, e.g., capacitors, resistors, variable resistors, IC, LED, wire-wound chip inductor, transistor, and semiconductor; can be broken down in PC, PSS, PET by type of plastic materials.

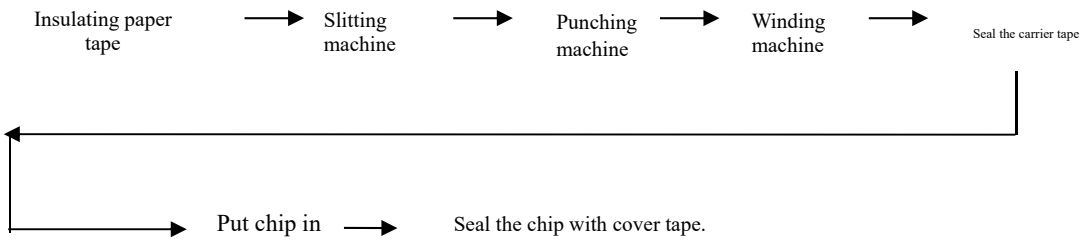
Industry	Product category	Service category
SMT industrial equipment	Laser trimmer 1. IR laser trimmer 2. Green laser trimmer 3. Function trimmer Rapid probe	1. Trim impedance and passive components using laser. 2. Functional cutting in SMT process, e.g., VCO, POWER SUPPLY, LTCC cuttings. 3. High speed at 200PCS/sec; high precision cutting with +-0.2% tolerance. 4. Measure impedance on substrates quickly and accurately, and accurately calculate the pre-adjustment and post-adjustment impedance value; mainly used in variable resistors and hybrid microelectronic circuits.
	Solid-state laser marking machine	1. Provide laser marking and cutting service in a laser processing environment. 2. Presented with stable precision and efficiency, owing to our laser source of industrial aesthetics—diode-pumped solid-state laser (DPSSL). (Nd:YAG, Nd:GdVO4, Nd:YVO4).
	FR4 PCB cutting machine	1. Cut PCBAs into desired profile. 2. Solve the issues of accuracy and space limitations with traditional ROUTER cutting and die cutting. 3. Flexible in usage, and capable of cutting PCBs into a precise portfolio without damaging the surface-mounted parts. 4. Fine pitch, high-precision machining to increase the material utilization ratio. 5. Apple iPhone applications. 6. Used with CO_2 LASER

Industry	Product category	Service category
	Cutting/drilling/scribing: Various laser process applications	1. Cutting/drilling/scribing/....; both standardized systems and customized systems are available. 2. Diversified laser light sources: Nd:YAG, Nd:GdVO4, Nd:YVO4, Fiber, CO2, IR/Green/UV/Pico-second. 3. Low-power, reliable, gas/chilled water cooling, and applicable to a range of process applications, e.g., FR4-FPC (rigid-flexible board) depaneling, scribing on, and drilling through, ceramic substrate and LED heat dissipated substrate (ceramic and aluminum nitride), and cutting of SMT stencils, glass substrate, solar panels, ICs, and wafers.
	Automatic barcode ink-jet printing machine/ Optical Barcode Inspector	1. Ink-jet system and inspection system designed specifically to address the barcode requirements in SMT/PCB/FPC process. 2. Customized systems and standardized systems (off-line/in-line) available. 3. Exceptional in features, speedy ink-jet printing, and capable of processing barcodes and text, with fast-drying ink without the need of a bake. 4. A supporting measure for inspecting products after ink-jet printing, used to measure barcode quality against the systems to prevent escape of defects. 5. May be ink-jet printed on a variety of surface materials simply by replacing ink types corresponding to different material types. Applicable to paper, plastic, metal, glass, hard surface, or soft and fragile surface. 6. SMT In-line/Off-line Line Scanning AOI System verifies the correctness of barcode against data base and save in image files to complete the final inspection before shipment, less defects escape.
	Automatic barcode laser marking machine (Single-head, duo-head)	1. A laser marking system designed specifically to address the barcode requirements in SMT/PCB/FPC process. 2. Customized systems and standardized systems (off-line/in-line) available. 3. Single-sided marking and real-time double-sided marking available, with a barcode analysis and automatic reading function. 4. May be directly incorporated in to an SMT production line, or work off-line along with a board conveyance and collection mechanism to fulfill automatic production requirements. 5. With a 70mmx70mm~540mmx480mm XY movement platform and an independent dust collection filter and ventilation mechanism. 6. Support high-speed marking of the various commonly used 1D/2D barcodes, at <1sec/code; capable of handling the minimum 2D dimensions of 2mmx2mm.
Semiconductor industry related equipment	Function trim Function trimmer	1. Quickly and accurately measure impedance, current, voltage. and other values on high-end hybrid microelectronic chips, and accurately calculate values before and after impedance calibrations, and perform functional modifications one by one. 2. The equipment can support a variety of instrument measurements
	Wafer trim Wafer trimmer	1. The chip-level power management IC is equipped with ACCO TEST measurement, and can instantly measure the impedance, current, voltage and other values on the wafer die, and provides real-time feedback to the system to automatically adjust the resistance and trimming parameters to reach the specified values. 2. Automatically generate wafer mapping 3. Robot automatically achieves feeding and blanking of materials, supporting 6", 8" and 12" wafers
	3D automotive electronic module cutter	1. Cut PCBAs into desired profile. 2. Solve the issues of accuracy and space limitations with traditional ROUTER cutting and die cutting. 3. Flexible in usage, and capable of cutting PCBs into a precise portfolio without damaging the surface-mounted parts. 4. Smart electric vehicle IC substrate applications. 5. With UV and GREEN LASER. 6. Special optical circuit design that allows laser cutting of 3D structure without damaging the substrate.

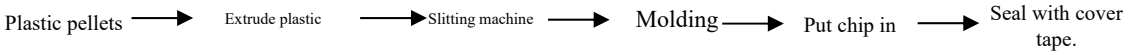
Industry	Product category	Service category
Optoelectronics Industry	Four-headed laser ceramic rapid drilling and processing machine	1. Designed to address the need for radiator substrate industry, the equipment can perform complex processing including drilling, cutting, line drawing, etching, and other different processing needs on ceramic substrates such as aluminum oxide or aluminum nitride. 2. The equipment can operate in automatic/semi-automatic mode, and supports up to four simultaneous processing heads to increase production capacity. 3. The equipment's readable bar code automatically loads information including work order parameters, and the processing results are uploaded to the MES system for integration. 4. 3D Line scan for pre-inspection QC that checks for warpage and deformation of input materials. 5. AOI post-inspection of hole size and offset after laser processing.

2. Manufacturing processes of main products:

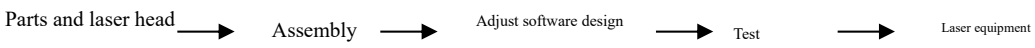
Chip packaging cover tape, carrier tape, and paper tape



Active component packaging plastic carrier tape:



Self-developed laser equipment:



(III) Supply of main raw materials:

Main raw materials	Major supplier	Supply status
SMD packaging raw materials	JEF SHOJT; TRITEC JAPAN; HANSOL; Dai Nippon Printing; AKROS TRADING TAIWAN CO. LTD.	Good
Equipment, products, and agency sale	Nutek Pte Ltd; KING FORCE AUTOMATION CORPORATION; CYBER TECH; JD Union Pte Ltd	Good

(IV) Names of customers who accounted for more than 10% of the purchases/sales in any of the last two years, and purchases/sales amount and percentage, with explanations of the increase/decrease of such purchases/sales:

1. Names of customers who accounted for more than 10% of the sales in either of the last two years:

Unit: NT$1,000

	2022				2022				Year-to-date through March 31, 2024			
	Name	Amount	As a percentage of net sales	Relationship with the Company	Name	Amount	As a percentage of net sales	Relationship with the Company	Name	Amount	As a percentage of net sales	Relationship with the Company
1	Customer D	145,270	10.48%	None	Customer F	178,814	15.18%	None	Customer D	48,636	17.04%	None
2	Customer F	142,871	10.30%	None	Customer D	159,422	13.54%	None	Customer A	32,387	11.35%	None
	Others	1,098,629	79.22%	-	Others	839,580	71.28%	-	Others	204,414	71.61%	-
	Net sales	1,386,770	100.00%	-	Net sales	1,177,816	100.00%	-	Net sales	285,437	100.00%	-

Note: Investors having significant influence over subsidiaries, and such investors' affiliates.

Explanation: Customer D is a European passive component manufacturer that provides automotive and high-end electronic components. It expanded production capacity throughout 2022 and 2023, and continued to do so according to plan in Q1 2024. Customer D is Japanese company, and because it provides automotive and high-end components, it also gradually expanded production capacity from 2022 to 2023. Customer A is a domestic semiconductor foundry. Due to the increase in the production capacity of advanced packaging processes and the increase in demand for related equipment, the sales also increased in Q1 2024. Customer portfolio remained largely the same in the last two years, without any significant change.

2. Names of suppliers who accounted for more than 10% of the purchases in either of the last two years:

Unit: NT$1,000

	2022				2023				Year-to-date through March 31, 2024			
	Name	Amount	As a percentage of net purchases	Relationship with the Company	Name	Amount	As a percentage of net purchases	Relationship with the Company	Name	Amount	As a percentage of net purchases	Relationship with the Company
1	Company B	53,492	6.94%	None	Company F	115,110	17.30%	None	Company A	34,698	19.48%	None
2	Company F	49,215	6.39%	None	Company A	64,698	9.72%	None	Company G	12,517	7.03%	None
3	Company D	47,901	6.22%	None	Company B	55,672	8.36%	None	Company B	12,068	6.77%	None
	Others	619,784	80.45%	-	Others	430,,071	64.62%	-	Others	118,867	66.72%	-
	Net purchase	770,392	100.00%	-	Net purchase	665,551	100.00%	-	Net purchase	178,150	100.00%	-

Note: Investors having significant influence over subsidiaries, and such investors' affiliates.

Company F is the passive component equipment supplier that the Company is a distributor for. Due to the increase in capital expenditures from the Japanese passive components supplier in 2023 and 2022, the overall

purchases have increased in 2023 and 2022. Company B is the main raw material supplier of tape and reel materials. Since the sales of equipment products increased in 2023, the supplies of tape and reel packaging materials have also decreased accordingly. Company A is the SMT testing equipment supplier that the Company is a distributor of. Due to the increase in demand from semiconductor customers in 2023, the Company's purchases have increased in 2023 and in Q1 2024. Overall, the change in suppliers in the last two years is considered reasonable

(V) Output volume and value for the last two years：

Unit: Reel/NT$1,000

Year / Main products	2022			2022		
	Production capacity	Quantity	Output value (Note 1)	Production capacity	Quantity	Output value (Note 1)
Tape and reel packaging materials	-	1,260,839	440,759	-	1,449,278	514,070
SMT and laser machinery and equipment:	-	49	206,084	-	85	239,473
Others (Note 2)	-	—	-	-	-	-
Total	-	1,260,888	646,843	-	1,449,363	753,544

Note 1: List the output volume and value, excluding the volume and value of goods purchased or sold.

(VI) Sales volume and value for the last 2 years:

Unit: NT$1,000

Year / Item	2022				2022			
	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Tape and reel packaging materials	-	169,451	—	281,875	-	203,949	-	395,784
SMT and laser machinery and equipment:	-	131,167	—	583,549	-	259,493	-	447,627
Others	-	11,383	—	391	-	40,861	-	39,055
Total	-	312,001	—	865,815	-	504,303	-	882,466

III. Information of the number of employees, average years of service, and education in the most recent two years and up to the date this annual report was printed:

Unit: Person/%

Year		2022	2023	Year-to-date through March 31, 2024
Number of employees (persons)	Indirect employees	168	169	170
	Direct employees	98	81	80
	Total	265	250	250
Average age (years-old)		41.77	42.19	42.28
Average years of service (years)		9.90	10.19	10.32
Education background distribution	PhD	0.52%	0.40%	0.40%
	Master	9.37%	11.20%	11.20%
	University/College	49.47%	49.60%	49.20%
	Below high school	40.62%	38.80%	39.20%

IV. Environmental protection expenditure information: Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

(I) The Company is mainly engaged in processing and production of upper tape, bottom taps, and paper tapes used for packaging SMDs. The Company has also introduced the RoHS requirements. The Company is not a member of those announced by the law to be subject to requirements on water pollution control and air pollution control at the current stage, and is therefore not likely to pollute the environment.

In addition, the Company properly maintains the environment surrounding its factories on a regular basis, and fully complies with the requirements of the environmental protection unit of the Export Processing Zone Administration. In addition, the Company has passed the ISO14001: 2015 certification (certificate valid through November 5, 2024).

(II) The Company was not involved in any environmental pollution incident or fined for environmental pollution, or paid any damages in the most recent two years and in the current year up to the publication date of this annual report.

Item	2022	2023	Year-to-date through Sunday, March 31, 2024
Pollution status	None	None	None
Penalized by	None	None	None
Penalties imposed	None	None	None
Other losses	None	None	None

V. Employees-employer relations

(I) Give a list of the Company's employee welfare measures, continuing education, training, retirement regulations and their actual implementation, along with employer-employee agreements, and measures for protecting employee rights:

1. Welfare measures

Upholding the philosophy of respecting, attending to, and cultivating employees, the Company hopes to establish trust among employees by offering them a good training system and welfare measures that enrich and stabilize their lives. As a result, employees collaborate with one another as a team to implement the Company’s policy. In this way, employees and the employer always keep a harmonious mood.

The Company has set up its Employee Welfare Committee, which is responsible for devising welfare measures, including money gifts for new year and festivals, money gift for birthday, subsidies for domestic and overseas tour, subsidies for funeral, marriage, and childbirth, condolence money for hospitalization due to work-related injury or ordinary injury, paternal leave, scholarships and grants for employees’ children who attain exceptional scores, subsidies for establishment of health-promoting clubs, education and trainings for labors, and group insurance and health checkup for employees, and periodically organizing arts and cultural lectures and entertainment events. Physicians and registered nurses are employed to give habitual on-site healthcare consultations from time to time. The Company has also set up its Employee Stock Ownership Trust Committee to encourage employees to put their stock in trust.

2. Diversity and equality in the workplace

Adhering to the value of talents being valuable assets to the Company, LaserTek is committed to creating a happy, safe and friendly workplace, where employees can develop their talents, enhance a sense of satisfaction in life through being passionate about their work, and even go on to leading the Company's continuous progress and joining us to achieve collective mission and goals. As of the end of 2023, the total number of employees of LaserTek Group in Taiwan was 192, and the ratio of men to women was approximately 1.4:1. The basic salary and remuneration of women and men are also becoming more equal. In 2023, the salary and remuneration ratio between women and men was 0.94:1. And the slight differences were mainly due to job differences rather than gender factors. In addition, we are also committed to providing employment opportunities for people with disabilities, and have employed a total of 4 people with disabilities, which meets the legal employment quota.

The Company fully protects the rights of workers to take parental leave to care for their children. Any employee who has worked at the Company for 6 months can apply for a maximum of 2-year unpaid parental leave before each child reaches 3 years old. The parental leave will last until the said child reaches 3 years old. During unpaid parental leave, employees can also continue to participate in their existing social insurance. The Company has also set up multiple nursing rooms and equipped them with related facilities and equipment to provide employees with a well-rounded nursing environment at the workplace. Besides fulfilling the spirit of the "Gender Equality in Employment Act" in practice, we also align our practices with Goal 5 "Gender Equality" among the SDGs. LaserTek has also established relevant mechanisms for maternal health protection to ensure the physical and mental health of pregnant, postpartum, and breastfeeding female employees in line with the provisions from Article 31 of the Occupational Safety and Health Act. In 2023, onsite medical staff provided maternal health monitoring and health advice to a total of 2 people. In addition, the Company has also set up nursing rooms for employees to use conveniently and safely when needed.

3. Continuing education, and trainings

Since exceptional talents are the Company’s most important assets, the Company values employees’ learning and occupational competency development and encourages them to take the initiative to learn and apply the knowledge and skills they have learned to their work.

The Company was awarded a gold medal in the “National Talent Development Award and Talent Quality-Management System” evaluation organized by the Workforce Development Agency, MOL in both 2021 and 2023.

The Company has devised a complete set of training plans, including:

(1) New employee orientation training: To enable new LASERTEK employees to understand the corporate culture, integrate themselves into the organizational environment, and learn self-management techniques.

(2) On-the-job training: To provide trainings on core competencies, management competency, and professional competencies to new employees and senior (managerial) employees.
(3) Self-development training: To develop other categories of trainings courses tailored to colleagues' needs, so as to boost their knowledge and experience.
(4) Work stress relief course: To help colleagues relieve work pressure and strike a work-life balance. In addition to static courses on health diet, natural and sweet sleeping, and disease prevention that are closely related to employees' life, the Company also provides dynamic courses such as exercise and stretch.
(5) Department-specific professional courses: To provide a wider selection of professional training courses based on the professional fields and state-of-art knowledge that each department identifies as needy for enhancement.
(6) Management courses: To collaborate with National Sun Yat-sen University and launch two sets of management programs for mid-level and senior managers and junior managers.
Mid-level and senior managers:
Vision-based leadership; data-based thinking; communication and integration; trouble shooting.
Junior manager:Control resources; foster subordinates; self-improvement; learn and grow.
(7) Subsidize the tuition of employees for academic programs in order to motivate them to pursue further education.

Training programs on corporate governance participated by the Company's managers

Title	Name	Date of Training	Organizer	Course Name	Hours
Assistant Vice President, Finance Department	TANG, CHING-LING	2023.06.02	The Chinese National Association of Industry and Commerce, Taiwan	2023 Taishin Net-zero Power Summit	3 hours
		2023.08.11	Accounting Research and Development Foundation	Practices of Legal Compliance and Fraud Prevention for "Amendments to Internal Control Processing Standards" and "Information Security"	3 hours
		2023.08.24	Taipei Exchange	Briefing Session on Insider Equity for TWSE and TPEx Listed Companies	3 hours
		2023.09.28	Accounting Research and Development Foundation	Policy Development and Internal Control Management Practices for the Latest "ESG Sustainability" and "Self-preparation of Financial Reports"	3 hours
		2023.11.10	Accounting Research and Development Foundation	Practice and Case Analysis for Enterprise Compliance to "Labor Standards Act"	3 hours
		2023.11.20	Accounting Research and Development Foundation	Analysis of Sustainable Development Action Plans of Listed Companies and Corresponding Practices	3 hours
		2023.11.20	Accounting Research and Development Foundation	Latest Accounting Laws, Standards Q&A and Analysis of Common Deficiencies in Financial Reports	3 hours
		2023.11.21	Accounting Research and Development Foundation	FinTech and Emerging Money Laundering Techniques - Case Studies of Legal Responsibilities	3 hours
		2023.11.21	Accounting Research and Development Foundation	Analysis of Legal Responsibilities and Case Studies Related to Corporate Trademarks	3 hours
Manager, Finance Department	HUANG, HUI-CHANG	2023.07.31	Accounting Research and Development Foundation	Policy Development and Internal Control Management Practices for the Latest "ESG Sustainability" and "Self-preparation of Financial Reports"	6 hours
Manager, Finance Department	HUANG, HUI-CHANG	2023.08.09	Accounting Research and Development Foundation	Practices of Legal Compliance and Fraud Prevention for "Amendments to Internal Control Processing Standards" and "Information Security"	6 hours

The Company’s employee training achievements in the most recent year are as follows:

Trainings can be broken down into 6 categories. Course category and implementation are depicted as follows:

Course item	Total number of trainees	Total number of hours	Total expenditures (NT$)
Management	81	331	750,569
Liberal	515	949	
Professional	119	722	
Quality assurance	99	168.5	
Occupational safety and environmental protection.	228	989	
Occupational competency	126	387	
Total	1,168	37546.5	

The Company’s finance personnel have obtained the following licenses designated by the competent authority:

(A) The Company’s finance officer took part in the “Professional Certification for Financial and Accounting Officers at Public Companies” organized by the Accounting Research and Development Foundation (ARDF) and was qualified therein.

(B) One of the Company's financial and accounting personnel was awarded the “Qualified Stock Affairs Specialist” license by the Securities and Futures Institute..

4. Employee retirement system and implementation status

LaserTek follows relevant local retirement laws and systems to protect employees’ retirement rights and interests. For Taiwan, the "Calculation and Benefit Distribution Principles of Employee Pension Measures" are formulated in accordance with the Labor Standards Act, and 100% of full-time employees participate in the relevant pension plan. The "Labor Pension Act" (also known as the new pension scheme) is a post-retirement benefit plan with a defined contribution plan. LaserTek has appropriated monthly contributions in accordance with regulations since July 1, 2005. Employees can choose to continue to use the pension plan in accordance with the Labor Standards Act (also known as the old pension scheme), or to apply to the pension system under the new scheme and retain their years of work experience before the application of the said new scheme. The Company has also completed paid the benefits for employees under the old scheme in full. Currently, all employees are eligible for the new pension scheme. In line with the Company's regulations, all employees who are aged over 55 and have worked for more than 25 years, and those who are over 65 years old, can apply for retirement from the Company's Administration Department.

In order to benefit the Company's employees, to help them achieve long-term savings and the accumulation of wealth so as to ensure the stability of their future and enhance their sense of engagement in the Company, Lasertek allows employees to hold Company shares in order to jointly share the Company's operating results. This also helps to keep the Company's equity and management rights more centralized, thereby allowing us to achieve sound development on a solid basis. On December 23, 2021, the "Employee Share Ownership Trust Implementation Measures" was formulated, and the "LaserTek Taiwan Co., Ltd. Employee Share Ownership Association" was established and began to handle employee share ownership related matters beginning on March 1, 2022. All full-time employees of Republic of China nationality who have served at the Company for more than 3 months are free to apply to and join the said organization.

5. Employer-employee relations and employee rights maintenance measures

The Company’s regulations and measures in relation to labor relations are implemented according to law, so the labor relations have been good. Any measure in relation to labor relations and intended to be modified is fully communicated between labors and the management and publicized before being approved. In this way, the Company is able to win support from employees, and both parties are able to create reciprocally beneficial and harmonious labor relations. As a result, the Company did not face any labor dispute.

6. Protection Measures for the Work Environment and Employees' Personal Safety

To protect employees’ safety and health and prevent occurrence of work-related accidents, and to achieve our goal of "zero disaster and zero incident", LaserTek has formulated the “Occupational Safety and Health Work Rules” and “Occupational Safety and Health Management Plan” in accordance with the “Occupational Safety and Health Act” and other applicable laws and regulations. The Company establishes its “Occupational Safety and Health Committee”, has each department establish an occupational safety and health unit/to manage workers and emergency medical technicians, and also regularly inspect local laws and regulations to examine the degree of compliance of internal management measures and systems. In addition, we also review whether substances prohibited by LaserTek are being used or stored through regular occupational hazard identification and risk evaluation, and also engage in risk assessment and inspection of the storage and documentation management of substances including organic solvents to ensure the safety of our operating environment. Safety and health training are also organized every year so that employees can learn necessary safety knowledge at work as well as improve their disaster and

emergency response capabilities.

The Company implements multiple strategies to protect the health and safety of employees. All work areas comply with legal requirements. In addition, the Company provides ear plugs to those working in high-risk operation environment exposed to dust and noise and enhances exhaust ventilation systems therein in order to reduce employees' exposure to operation environment risks and hazards. Moreover, the Company periodically provides operators with a health checkup, monitor labors' working environment, inspects the safety of public areas of a building, and checks for fire safety so as to mitigate the hazardous risks to all workers. Meanwhile, a total of 33 hours of education and training courses on occupational safety and health were held in this year and participated by 197 persons.

To allow employees to understand the importance of safety and health, and to work under safe conditions, the Company regularly provides trainings on occupational safety to new employees and refresher trainings to in-service employees, so that employees can acquire the safety knowledge required for their jobs. In 2023, a total of 228 persons took part in such trainings, which totaled 989 hours. In addition, to increase colleagues' emergency response capability, the Company also held 3 sessions of eduction and trainings on fire drill for a total of 4 hours in 2023, with 31 trainees. In addition, fire safety equipment is made available in factories at the disposal of colleagues in case of fire, so as to minimize the risks of accidents.

To enable employees to achieve a balance between work, health, and life, in addition to consulting services provided by onsite doctors and nurses, LaserTek also provides regular health examinations every two years. In addition, follow-up health monitoring is carried out by onsite medical staff to continuously care for the physical and mental health of our workers. Based on the results of operating environment monitoring, LaserTek conducts health related inspections for personnel with special procedural health hazards, and implements a tiered health management in accordance with the law. The health status of those placed under tier three health management level will be monitored in the following year. The dedicated onsite medical staff will actively arrange for those in tier four health management level to undergo interviews, health guidance, and on-site visits. Subsequently, the dedicated medical staff will also issue notes based on the results of the visits from the visiting physicians to follow-up and manage their health status. In 2023, a total of 69 people have undergone special hazardous health examinations, and 1 person who was placed in tier four health management. His/her health continues to be regularly followed-up by our onsite medical staff.

In addition, in terms of organizing health promotion training courses, we first survey our employees' ideas for the topics before planning the courses, hoping to enhance colleagues' health-related knowledge and improve their physical and mental health through relevant courses. LaserTek is committed to creating a healthy workplace. In 2018, we received the "Healthy Workplace Certification-Health Initiator Label" from the Health Promotion Administration, MOHW. Moreover, we were honored with "Healthy Workplace Certification - Health Promotion Label" in 2020 and 2023. LaserTek will continue to take care of the physical and mental health of

every employee and create a safe work environment.
In 2023, none of the Company's employees in a job of special operation was found of any anomaly associated with their jobs, and there was no work-related injuries or death. In addition, the Company has received the certificate of record of accident-free work hour for 12 consecutive times from the Industrial Safety and Health Association of the R.O.C and was included in the List of Enterprises with Exceptional Performance in Promoting the Accident-free Work Hour Record.

7. Regulations for employee conduct and ethics

The Company has formulated its "Code of Ethical Conduct", "Regulations for Preventing Insider Trading", and "Ethical Corporate Management Best Practice Principles", whereby directors, supervisors, and managers must act accordingly. The Company's regulations for employees' code of conduct are mostly put down in the Work Rules, where compliance matters are enumerated and which stipulate that employees perform duties in a responsible, fair and ethical, and humble manner.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

1. Since the Company always values labor relations and does its best to maintain a good interaction between both parties, there is no material labor dispute that requires negotiation so far.

2. Estimated possible losses likely to occur at present and in the future, and measures to be taken:
   The Company fully complies with labor laws and enhances welfare measures at present, and will continue to do so in the future; it further establishes a two-way communication and complaint lodging system. The Company's labor relations have been rational and harmonious. The Company did not suffer any labor dispute or any resulting loss in the most recent two year, so the chances of having one in the future should be limited.

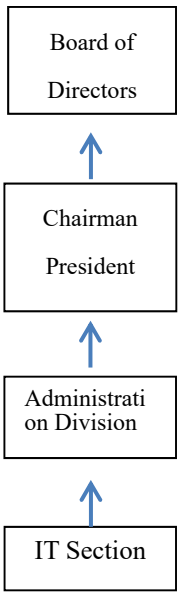
VI. Cybersecurity management:

(I) Cyber Security Risk Management Framework

To improve the management of information security and ensure the security of data, systems, and networks, the Company has established the IT Section and held it responsible for the coordination and implementation of the Company's policy on information security.

To ensure customer privacy and sustainable operations, the Company has set forth clear information security management policy, which is implemented along with rigorous system-based management and information security measures. In addition, the Company also communicates the "5 Dos and 5 Don'ts" principle to employees to enable their knowledge of information security. The "5 Dos and 5 Don'ts" principle is an easy-to-understand principle that can effectively enhance employees' information security awareness, to avoid any information security risk as a result of staff's insufficient awareness, thereby fully enhancing information security protection intensity.

Besides, to improve information security management and implementation effectiveness, the Company's internal audit department is responsible for regularly auditing the implementation of internal information security policy.



(II) Cyber-security management policy and programs

By acting through the following 4 cyber-security protection aspects and industrial control system cyber-security management, the Company has put in place 16 types of concrete measures, which are also constantly reviewed and adjusted based on the change of attack types in order to continuously implement a full-fledged information security mechanism.

Protection aspect	Specific programs
Protection measures	● Install a firewall to isolate the intranet from external Internet, and allow access only for approved port numbers and fixed IPs. ● Install a firewall to isolate the intranet from the server networks, and allow access only for approved IP and Port numbers, to avoid the scenario in which contraction with the Trojan Horse virus will affect servers. ● Install anti-virus software on user computer and servers and update virus signature daily. ● Regularly update computer operating systems and fix vulnerabilities. ● Install a Spam filtering system on the email system to block virus and any malicious mail. ● Lease a line that can screen out malicious IPs from Chunhwa Telecoms, an Internet Service Provider (ISP), to implement front-end protection.
Information access	● The Company's computer mainframe and each application server are placed in dedicated computer rooms, which are closed to all except the MIS personnel. ● Except the USB flash drive internally distributed, assessing USB flash drive through user computers is prohibited. ● Only the media access control (MAC) address of registered equipment can connect to the intranet via Wi-Fi, other equipment connected to the Wi-Fi can only access external websites.
Personnel training	● New employee orientation trainings includes information security trainings. ● Irregularly communicate information security awareness to colleges and provide them with information security trainings. ● Actively communicate the "5 Dos and 5 Don'ts" principle to employees. (Please see the table below)

Protection aspect	Specific programs
Business continuity	● Back up important systems on-site and off-site separately daily, and always keep 7 days of such backup. ● Computer rooms are installed with uninterruptible power supply systems to reduce the risk of data loss due to natural disasters. ● Core systems in computer rooms are of high availability (HA), to avoid hardware failure causing operating losses. ● Back up the data in colleagues' computer every day to avoid data loss in the case of contraction with ransom ware.
Industrial control system information security management	To achieve the security control purpose of the information security protection policy, LaserTek voluntarily demands scanning the anti-virus software designated by customers for any virus prior to delivery to customers, and issues a an information security testing report asserting free from virus. Similarly, we also ask our suppliers to provide a virus scanning report. Through joint efforts throughout the supply chain, we implement a sound information security risk management.

Attached Table: "5 Dos and 5 Don'ts" information security principle

5 Don'ts	5 Dos
1. **Do not get hooked:** Do not click open strange mails and web pages with luring titles. 2. **Do not open:** Do not open the file attached in a strange email or webpage 3. **Do not click:** Do not click on unverified URL or webpage in email. 4. **Do not install:** Do not install illegal or out-dated software and operating systems. 5. **Do not connect:** Do not connect to unverified free Wi-Fi.	1. **Do back up:** Please store important company information in shareholder folders and regularly back it up. 2. **Do verify:** Please verify the source and sender before opening an email or web-page. 3. **Do update:** Should the MIS puts in place significant update, colleagues' operating system and related software will also be updated in real time. 4. **Do scan for virus:** Please scan the file attached in email for virus before opening it, and take the initiative to report any suspicious mail or file. 5. **Do identify:** Must possess the ability to identify threats like phishing and attacks.

(III) Input of information security management resources

To address the information security risks facing enterprises, e.g., ransom ware attacks, business email compromise (BEC), advanced persistent threat (APT), social engineering scam, intrusion through vulnerability entailed in remote desktop connection, and business continuity issues, the Company persistently provides employees with trainings to improve their information security awareness. In addition, the Company keeps abreast of the trend of information security issues, and continues to introduce solutions to prevent the threat of malicious attacks, hoping to nip any malicious intent in the bud. In recent years, the Company has continued to increase the budget for cyber security trainings and solutions, and has completed the following tasks:

1. Adopt the 3-2-1 backup principle to fully protect the information systems on a corporate level.
2. Work with application service providers (ASPs) and join an information security joint defense group to stay updated and assess risks at any time.

3. Install a next-generation firewall (under a high-availability architecture) to forestall any malicious attack and maintain business continuity.
4. Control internal equipment by prohibiting non-company equipment from using the Company's intranet and directing the flows out to external Internet.
5. Install a malicious mail filtering system to block any social engineering attack initiated from any malicious mail.
6. Provide sound trainings on information security by giving information security trainings to new recruits and holding regular information security trainings and organizing social engineering drills for colleagues.
7. Align computer rooms with the ISO standards to achieve the goal of business continuity.
8. To connect to office from remote, one needs to be verified with an encrypted certificate before hand.
9. Back up important information systems to an extent of high availability, so that any damage to equipment or hardware won't disrupt business continuity.
10. Continue to update internal systems and computer operating systems so as to comply with the requirements of the most up-to-date version.
11. Install anti-virus software wherever possible and control USB flash drives.

The Company's implementation results of cybersecurity measures in 2023

Policy	In 2023, 10 new information security-related mechanisms and systems were added. 1. The Information Security Committee was established. 2. Information security management system 3. Information security risk assessment mechanisms 4. Core system and personnel identification mechanism 5. Confidentiality mechanism for key outsourced vendors 6. Information security event reporting mechanism 7. Verification and disclosure procedures for material information 8. Deployed EDR endpoint behavior detection system 9. Deployed new-generation layer 7 firewall 10. Deployed social engineering drill system
Practice drills	In 2023, a total of 4 social engineering drills were conducted for all employees, in addition to 1 disaster recovery drill, and 1 core system restoration drill.
Training	1. In 2023, 100% of all new employees, or a total of 447, have completed the information security education and training; the completion rate in the past two years has been 100%. 2. Quarterly security training for all employees to convey the latest important information security precautions; dedicated training reached a total of 64 hours in 2023.
Advocacy	(1) In 2023, 22 promotional posters were produced and posted on various bulletin boards to convey important information security precautions. (2) Six announcements were published in 2023 to convey important information security precautions.
Information security	(1) Four information security events occurred in 2023, including: (1) commercial fraud attack by the middlemen; (2) hard drive failure and failure to backup properly; (3) use of illegal software, and (4) internal network IP conflict.

events	(2) The above information security events in 2023 were not material and did not adversely impact the Company's business and operations. In addition, they did not involve any legal cases or regulatory investigations related to information security.
Event improvement	1. Continue to strengthen email protection and personnel security education and training 2. Evaluate the deployment of a company-wide computer backup mechanism to prevent the loss of core data 3. Continue to strengthen employees' information security awareness 4. Evaluate the deployment of an intranet management and control system to ensure internal network security
Future planning and continuous improvement	Lasertek has promptly disconnected and scanned relevant equipment from the Internet, reinstalled the operating system, and implemented follow-up improvement measures in accordance with the emergency disaster response plan. 1. Continue to strengthen information security education, training, and promotion 2. Continuous risk inventory and assessment of each department 3. Continue to review the compliance of information security-related documents 4. Deploy a legal system footprint recording system 5. Deploy an internal control system 6. Deploy offline backup mechanism

(IV) List any losses suffered by the company in the most recent year and as of the date the annual report was printed due to significant cybersecurity incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

As of the publication date of this annual report, the Company did not find any material cyber-security incident. There was no material negative impact on our business and operations, and we were not involved in any legal cases or investigated for related incidents.

VII. Important contracts

Nature of contract	Contracting parties	Period	Major Contents	Restriction clauses
Lease of land	Export Processing Zone Administration, MOEA	2021.01.01~2025.12.31	Lease of land	None
Lease of land	Export Processing Zone Administration, MOEA	2016.08.01~2026.07.31	Lease of land	None
Lease of land	Export Processing Zone Administration, MOEA	2017.12.02~2027.12.01	Lease of land	None
Lease of land	Export Processing Zone Administration, MOEA	2019.12.16~2029.12.31	Lease of land	None

Chapter VI Financial Overview

I. Condensed Balance Sheet and Statements of Comprehensive Income for the Past Five Years

(I) Condensed profit and loss statements

1. Condensed Consolidated Balance Sheet-International Accounting Standards (IAS)

Unit: NT$1,000

Item \ Year		Financial information for the most recent 5 fiscal years (Note 1)					Year-to-date through March 31, 2024 (Note 3)
		2019	2020	2021	2022	2023	
Current assets		2,309,670	2,306,912	2,664,751	2,642,489	2,613,629	2,669,220
Property, plant and equipment (Note 2)		721,704	698,700	697,600	677,033	631,730	623,530
Intangible assets		1,052	767	2,141	1,385	1,989	1,639
Other assets (Note 2)		614,426	689,643	785,242	651,451	766,012	874,868
Total assets		3,646,852	3,696,022	4,149,734	3,972,358	4,013,360	4,169,257
Current liabilities	Before distribution	1,566,818	1,783,860	2,161,296	1,982,877	1,908,277	1,999,625
	After distribution	1,466,073	1,658,050	2,035,486	1,863,357	(Note 4)	(Note 4)
Non-current liabilities		504,775	414,822	435,033	282,666	300,160	281,304
Total liabilities	Before distribution	2,071,593	2,198,682	2,596,329	2,265,543	2,208,437	2,280,929
	After distribution	1,970,848	2,072,872	2,470,519	2,146,023	(Note 4)	(Note 4)
Equity attributable to the parent company		1,546,234	1,470,778	1,541,664	1,689,470	1,800,389	1,883,954
Capital Stock		839,546	838,736	838,736	796,799	796,799	796,799
Capital surplus		132,824	132,061	132,061	132,061	132,061	132,061
Retained earnings	Before distribution	670,628	670,628	801,976	826,722	853,512	791,464
	After distribution	541,292	544,818	676,166	707,202	(Note 4)	(Note 4)
Other equity		(68,173)	(170,647)	(231,109)	(66,112)	18,017	163,630
Treasury stock		0	0	0	0	0	0
Non-controlling interests		29,025	26,562	11,741	17,345	4,534	4,374
Total equity	Before distribution	1,575,259	1,497,340	1,553,405	1,706,815	1,804,923	1,888,328
	After distribution	1,474,514	1,371,530	1,427,595	1,587,295	(Note 4)	(Note 4)

Note 1: Audited and certified by a CPA.

Note 2: The Company did not conduct any asset revaluation.

Note 3: Reviewed and certified by a CPA.

Note 4: Distribution data are yet to be available, and will be calculated after the Board of Directors of the following year reaches a resolution.

2. Condensed Parent Company Only Balance Sheet-International Accounting Standards (IAS)

Unit： NT$1,000

Item \ Year		Financial information for the most recent 5 fiscal years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		970,760	1,019,447	1,044,314	1,201,866	1,303,216
Property, plant and equipment (Note 2)		482,738	448,139	461,900	457,220	424,493
Intangible assets		1,052	767	2,141	1,385	1,989
Other assets (Note 2)		2,263,319	2,303,520	2,488,990	2,664,336	2,773,321
Total assets		3,717,869	3,771,873	3,997,345	4,324,807	4,503,019
Current liabilities	Before distribution	1,768,579	2,006,996	2,114,566	2,422,325	2,450,421
	After distribution	1,667,834	1,881,186	1,988,756	2,302,805	(Note 4)
Non-current liabilities		403,056	294,099	341,115	213,012	252,209
Total liabilities	Before distribution	2,171,635	2,301,095	2,455,681	2,635,337	2,702,630
	After distribution	2,070,890	2,175,285	2,329,871	2,515,817	(Note 4)
Equity attributable to the parent company		1,546,234	1,470,778	1,541,664	1,689,470	1,800,389
Capital Stock		839,546	838,736	838,736	796,799	796,799
Capital surplus		132,824	132,061	132,061	132,061	132,061
Retained earnings	Before distribution	642,037	670,628	801,976	826,722	853,512
	After distribution	541,292	544,818	676,166	707,202	(Note 4)
Other equity		(68,173)	(170,647)	(231,109)	(66,112)	18,017
Treasury stock		0	0	0	0	0
Non-controlling interests		0	0	0	0	0
Total equity	Before distribution	1,546,234	1,470,778	1,541,664	1,689,470	1,800,389
	After distribution	1,445,489	1,344,968	1,415,854	1,569,950	(Note 4)

Note 1: Audited and certified by a CPA.

Note 2: The Company did not conduct any asset revaluation.

Note 3: Reviewed by a CPA.

(II) Condensed consolidated income statements

1. Condensed Consolidated Statement of Comprehensive Income - International Accounting Standards (IAS)

Unit: NT$1,000

Item \ Year	Financial information for the most recent 5 fiscal years (Note)					Financial data available in the current year up to March 31, 2024 (Note)
	2019	2020	2021	2022	2022	
Operating revenue	1,078,330	1,221,008	1,751,466	1,386,770	1,177,816	285,437
Gross profit	283,102	363,338	534,576	451,144	386,915	88,885
Operating income/loss	44,238	97,178	233,409	164,598	104,475	9,794
Non-operating income and expenses	57,649	41,691	49,741	32,026	90,581	71,041
Net income (loss) before tax	101,887	138,869	283,150	196,624	195,056	80,835
Net income from continuing operations	114,914	127,264	257,275	150,538	144,981	78,443
Loss from discontinued operations	0	0	0	0	0	0
Net income (loss) for this period	114,914	127,264	257,275	150,538	144,981	78,443
Other comprehensive income (OCI) for this period (net amount after tax)	(39,581)	(102,865)	(60,462)	165,012	83,807	124,482
Total comprehensive income for this period	75,333	24,399	196,813	315,550	228,788	202,925
Net income attributable to owners of the parent	117,279	130,061	257,307	150,556	144,981	78,617
Net Income (Loss) Attributable to Non-controlling Interests	(2,365)	(2,797)	(32)	(18)	(1,631)	(174)
Total Comprehensive income attributable Owners of the Parent	78,721	26,862	196,845	315,553	228,788	203,085
Total Comprehensive income attributable to Non-controlling Interests	(3,388)	(2,463)	(32)	(3)	(1,651)	(160)
Earnings per share	1.4	1.55	3.07	1.82	1.84	0.99

Note: Financial data in the first quarter of 2024 were reviewed and certified by CPAs; financial data of 2019 through 2023were audited and certified by CPAs.

2. Condensed Parent Company Only Income Statement - International Accounting Standards (IAS)

Unit: NT$1,000

Item \ Year	Financial information for the last five years (Note)				
	2019	2020	2021	2022	2023
Operating revenue	782,519	875,551	1,054,779	913,979	820,917
Gross profit	198,287	236,005	294,496	270,426	238,039
Operating income/loss	51,402	65,387	92,904	73,028	61,946
Non-operating income and expenses	44,116	72,672	178,148	115,501	117,939
Net income (loss) before tax	95,518	138,059	271,052	188,529	179,885
Net income from continuing operations	117,279	130,061	257,307	150,556	146,612
Loss from discontinued operations	0	0	0	0	0
Net income (loss) for this period	117,279	130,061	257,307	150,556	146,612
Other comprehensive income (OCI) for this period (net amount after tax)	(38,558)	(103,199)	(60,462)	164,997	83,827
Total comprehensive income for this period	78,721	26,862	196,845	315,553	230,439
Net income attributable to owners of the parent	117,279	130,061	257,307	150,556	146,612
Net Income (Loss) Attributable to Non-controlling Interests	0	0	0	0	0
Total Comprehensive income attributable Owners of the Parent	78,721	26,862	196,845	315,553	230,439
Total Comprehensive income attributable to Non-controlling Interests	0	0	0	0	0
Earnings per share	1.4	1.55	3.07	1.82	1.84

Note: The above financial information has been audited and certified by CPAs.

(III) Names of auditing CPAs of the most recent five years and their audit opinions

Year	Name of firm:	Name of Accountants	Audit opinion	Note
2019	PwC Taiwan	Chien-Chih Wu; A-Shen Liao	Unqualified opinion	-
2020	PwC Taiwan	A-Shen Liao; Chien-Chih Wu;	Unqualified opinion	-
2021	PwC Taiwan	Chien-Chih Wu; A-Shen Liao	Unqualified opinion	-
2022	PwC Taiwan	Chien-Chih Wu; Kuo-Hua Wang	Unqualified opinion	-
2023	PwC Taiwan	A-Shen Liao; Kuo-Hua Wang	Unqualified opinion	-

II. Financial analysis for the last five years

(I) Analysis of the Consolidated Financial Information for the Last Five Years - International Financial Reporting Standards (IFRSs)

Analytical item (Note 3) \ Year (Note 1)		Financial analysis for the last five years (Note 1)					Year-to-date through March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt asset ratio	56.80	59.49	62.57	57.03	55.03	54.71
	Long-term fund to property, plant and equipment ratio	274.92	273.67	285.04	293.85	333.23	347.96
Solvency %	Current ratio	147.41	129.32	123.29	133.27	136.96	133.49
	Quick ratio	122.97	110.21	107.52	117.69	118.83	115.75
	Times interest earned	7.02	7.65	14.43	8.44	6.20	9.44
Operating ability	Receivables turnover (times)	1.77	2.57	2.68	2.15	2.61	3.05
	Average collection days	206	142	136	170	140	120
	Inventory turnover (times)	2.58	2.78	3.99	3.11	2.74	2.58
	Payables turnover (times)	5.82	9.05	9.78	6.97	6.92	7.81
	Average days of sales	141	131	91	117	133	141
	Turnover of property, plant and equipment (times)	2.11	1.72	2.51	2.02	1.80	1.82
	Total asset turnover (times)	0.29	0.33	0.45	0.34	0.29	0.28
Profitability	Return on assets (%)	3.50	3.92	3.92	4.23	4.38	8.42
	Return on equity (%)	7.13	8.28	16.87	9.23	8.26	16.99
	Net income before tax to paid-in capital (%)	12.14	16.56	33.76	24.68	24.48	40.58
	Net profit margin (%)	10.66	10.42	14.69	10.86	12.31	27.48
	Earnings per share (NTD)	1.40	1.55	3.07	1.82	1.84	0.99
Cash flows	Cash flow ratio (%)	26.36	8.98	6.77	29.50	14.08	0.55
	Cash flow adequacy ratio (%)	111.03	91.08	104.35	123.43	120.09	20.04
	Cash reinvestment ratio (%)	12	4	1.36	28	9.00	1.00
Leverage	Operating leverage	4.86	4.55	7.50	8.43	11.27	29.14
	Financial leverage	1.62	1.27	1.10	1.19	1.56	45.13

Please give reasons for changes in financial ratios in the past two years:

(1)Interest coverage ratio in 2023 decreased from 2022, mainly due to higher net income before tax in 2022 over 2023.

(2)Receivables turnover in 2023 increased from 2022, mainly due to higher collections of equipment product receivables in 2022.

(3)Cash flow ratio and cash reinvestment ratio in 2023 decreased from 2022, mainly due to due to higher collections of receivables in 2022, which led to an increase in net cash inflow from operating activities.

(4) Degree of operating leverage and financial leverage in 2023 increased from 2022 mainly due to the decrease in operating profits in 2023

(II) Analysis of the Parent Company Only Financial Information for the Last Five Years - International Financial Reporting Standards (IFRSs)

Analytical item \ Year		Financial analysis for the last five years (Note 1)				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt asset ratio	58.41	61.01	61.43	60.94	60.02
	Long-term fund to property, plant and equipment ratio	391.5	393.82	407.62	416.10	483.54
Solvency %	Current ratio	54.89	50.79	49.39	49.62	53.80
	Quick ratio	43.79	40.98	38.48	41.16	44.10
	Times interest earned	5.81	8.06	14.62	8.46	5.96
Operating ability	Receivables turnover (times)	2.22	3.34	3.33	2.68	2.80
	Average collection days	165	109	109	136	131
	Inventory turnover (times)	3.59	3.44	3.84	3.19	2.94
	Payables turnover (times)	3.64	4.11	4.72	4.04	7.39
	Average days of sales	102	106	95	114	124
	Turnover of property, plant and equipment (times)	2.31	1.88	2.32	1.99	1.86
	Total asset turnover (times)	0.21	0.23	0.27	0.22	0.19
Profitability	Return on assets (%)	3.58	3.89	7.03	4.10	3.98
	Return on equity (%)	7.28	8.62	17.08	9.32	8.40
	Net income before tax to paid-in capital (%)	11.38	16.46	32.32	23.66	22.58
	Net profit margin (%)	14.99	14.85	24.39	16.47	17.86
	Earnings per share (NTD)	1.4	1.55	3.07	1.82	1.82
Cash flows	Cash flow ratio (%)	6	7.65	4.97	10.07	4.76
	Cash flow adequacy ratio (%)	44	27.83	139.65	64.75	61.42
	Cash reinvestment ratio (%)	(6)	3.09	(1.13)	6.54	(0.21)
Leverage	Operating leverage	7.03	13.39	11.35	12.52	13.25
	Financial leverage	1.1	1.43	1.27	1.53	2.41

Please give reasons for changes in financial ratios in the past two years:

(1) Interest coverage ratio in 2023 decreased from 2022, mainly due to lower net income before tax in 2023.

(2) The payables turnover rate in 2023 increased from 2022, mainly due to the shortened number of days for certain payment to suppliers in 2023.

(3) Cash flow ratio in 2023 decreased from 2022, mainly due to higher collection of receivables in 2022.

(4) Cash reinvestment ratio in 2023 decreased from 2022, mainly due to the fact that the cash inflow from operating activities in 2023 was less than the amount of cash dividends.

(5) Degree of operating leverage in 2023 increased from 2022 mainly due to the increase in interest expense in 2023.

Note 1: Audited and certified by a CPA.

Note 2: Reviewed and certified by a CPA.

1. Capital Structure Analysis

(1) Debt-to-asset ratio = total liabilities / total assets.

(2) Long-term fund to property, plant and equipment ratio = (total equity + non-current liabilities) / net amount of property, plants and equipment.

2. Liquidity Analysis

(1) Current ratio = current assets / current liabilities.

(2) Quick ratio = (current assets - inventory - prepaid expense) / current liabilities.

(3) Interest coverage ratio = net income before income tax and interest expenses / interest expenses for this period. 3. Operating capability

(1) Receivables (including accounts receivable and business-related notes receivable) turnover ratio = net sales / average balance of receivables for each period (including accounts receivable and business-related notes receivable).

(2) Average collection period = 365 / receivables turnover.

(3) Inventory turnover ratio = cost of goods sold / average amount of inventory.

(4) Payables (including accounts payable and business-related notes payable) turnover = cost of goods sold / average balance of payables for each period (including accounts payable and business-related notes payable).

(5) Average inventory turnover days = 365/inventory turnover ratio.

(6) Property, plant, and equipment turnover = net sales / average net amount of property, plant, and equipment.

(7) Total assets turnover = net sales / total average assets.

4. Profitability

(1) Return on assets ＝ [net income after tax + interest expense (1– tax rate)] / average gross assets.

(2) Return on equity ＝ net income after tax / average gross equity.

(3) Net profit margin = net income after tax / net sales.

(4) (4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding. (Note 4)

5. Cash flows

(1) Cash flow ratio = net cash flows from operating activities / current liabilities.

(2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).

(3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital). (Note 5)

6. Leverage:

(1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income (Note 6).

(2) (2) Financial leverage = operating income / (operating income – interest expenses).

Note 4: Special attention should be paid to the following when calculating earnings per share by the above equation:

1. The weighted average quantity of outstanding common shares shall be taken as the standard, not the quantity of outstanding shares at the end of the year.
2. If there is any follow-on offering or treasury stock transaction, take the circulation periods into account when calculating the weighted average quantity of outstanding shares.
3. If there is any capitalization of retained earnings or capital surplus, the annual and semi-annual earnings per share of past years shall be retrospectively adjusted pro rata to the size of the capital increase, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the dividend shall be deducted from the net income after tax if there is net income after tax; no adjustment is required in case there is loss.

Note 5: Special attention shall be paid to the following when making the calculations for cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refers to the annual cash outflow used in capital investment.
3. Increase in inventory is counted only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory has decreased at the end of the year, it is counted as zero.
4. Cash dividends include the cash dividends of common stock and preferred stock.
5. Gross property, plant, and equipment refers to the total property, plant, and equipment without deduction of accumulated depreciation.

Note 6: The issuer shall categorize the operating costs and operating expenses into fixed ones and variable ones in accordance with their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure that it is done rationally and consistently.

Note 7: If the Company’s shares have no par value or the par value per share is not NT$10, the paid-in capital involved in the calculation of the above ratio shall be replaced by the equity attributable to owners of the parent company on the balance sheet.

III. Supervisors' Review Report

LaserTek Taiwan Co., Ltd.
Supervisors' Review Report

Whereas,

The Board of Directors has submitted the Company's 2023 parent company-only financial statements and consolidated financial statements, which have been reviewed by CPAs Chien-Chih Wu and Kuo-Hua Wang from PwC Taiwan, and a CPA audit report has been issued accordingly. The aforementioned statements, along with business report and earnings distribution plan, have been submitted to the Supervisors for review. No inconsistencies have been found, and the following report have been prepared in line with regulations from Article 219 of the Company Act. Please verify.

To

The Company's 2024 General Shareholders' Meeting

雷科股份有限公司
審計委員會召集人：劉德明

March 14, 2024

IV. Financial statements of the most recent year: Please see p.173 to p.252.

V. For the most recent CPA-certified standalone financial reports: Please see p.253 to p.350.

VI. If any financial difficulties occur for the Company or its affiliates in the most recent year and up to the publication date of this Annual Report, the impact on the Company's financial status should be stated: N/A.

Chapter VII. Review and analysis of financial position and financial performance and assessment of risks

I. Financial position

Significant changes to the Company's assets, liabilities, and shareholder equity in the most recent two years (i.e., changes between the two periods reaching 20% and NT$10 million), major causes and impacts, and response plans in the future:

Unit: NT$1,000

Item \ Year	2023	2022	Difference	
			Amount	%
Financial assets at amortized cost - current	794,818	628,668	166,150	26.43
Notes receivable - net	5,363	17,686	(12,323)	(69.68)
Accounts receivable	368,841	472,442	(103,601)	(21.93)
Prepayments	78,388	52,225	26,163	50.10
Financial assets measured at fair value through other comprehensive income - non-current	464,315	361,385	102,930	28.48
Short-term notes and bills payable	15,000	70,000	(55,000)	(78.57)
Special reserves	66,112	231,109	(164,997)	(71.39)
Undistributed earnings	414,098	237,367	176,731	74.45
Other interests	18,017	(66,112)	84,129	127.25

(I) Major causes and impacts:

(1)Financial assets at amortized cost - current: The change in the two periods increased by approximately 26.43%, mainly due to an increase in the volume of U.S. dollar fixed deposits of three months or above in 2023.

(2)Notes receivable - net: There was a decrease of about 69.68% between the two periods, mainly due to lower sales in 2023.

(3)Accounts receivable: There was a decrease of about 21.93% between the two periods, mainly due to lower sales in 2023.

(4)Prepayments: The change in the two periods increased by approximately 50.10%, which is mainly due to the increase in prepayments for early stocking due to output demand for Q1 2024 at the end of 2023.

(5)Financial assets measured at fair value through other comprehensive income - non-current: The change in the two periods increased by approximately 28.48%, mostly due to increased financial assets in 2023.

(6)Short-term notes and bills payable: There was a decrease of about78.57% between the two periods, mainly due to the decrease in short-term notes and bills issued in 2023.

(7)Special reserves: There was a decrease of about 71.39% between the two periods, mainly due to the reversal of special reserves in accordance with the law in 2023.

(8)Undistributed earnings: There was an increase of approximately 74.45% between the two periods, mainly due to higher retention undistributed surplus and the reversal of special reserves in 2023.

(9)Other interests: There was an increase of 71.39% between the two periods, mainly due to the increase in exchange gains on translation of foreign operations financial statements in 2023.

(II) Response plan: The accounts significantly changed during the past two years did not significantly impact the Company's financial position.

II. Financial performance

1. Analysis of financial performance:

Unit： NT$1,000

Item \ Year	2023	2022	Difference	
			Amount	%
Operating revenue	1,177,816	1,386,770	(208,954)	(15.07)
Operating cost	790,901	935,626	(144,725)	(15.47)
Gross profit	386,915	451,144	(64,229)	(14.24)
Operating expenses	282,440	286,546	(4,106)	(1.43)
Net operating profit	104,475	164,598	(60,123)	(36.53)
Non-operating income and expenses	90,581	32,026	58,555	182.84
Net income before tax	195,056	196,624	(1,568)	(0.80)
Income tax benefits (expenses)	(50,075)	(46,086)	3,989	8.66
Net profit of the term	144,981	150,538	(5,557)	(3.69)

(I) Major causes of significant changes to the Company's operating revenue, net operating profit, and income before tax in the most recent two years (i.e., changes between the two periods reaching 20% and NT$10 million):

I. Net operating profit:
Mainly due to downstream customers' destocking and reducing capital expenditures in 2023, which caused reduction in shipments of equipment products and tape and reel materials and products, causing a reduction in operating profit from 2022 as fixed operating expenses remained unchanged.

II. Total non-operating revenues and expenses: Mainly due to the gains on valuation of financial assets measured at fair value and foreign currency translation gains in 2023, causing the sum of non-operating income and expenses to increase from 2022.

(II) Expected sales volume and its basis, the possible impact on the company's future financial and business affairs, and the response plan:
Downstream tape and reel customers were destocking and reducing capital expenditures in 2023. Since the market for consumer electronics did not noticeably recovered in the first half of 2024, it is expected that downstream tape and reel customers will continue to destock and reduce capital expenditures in 2024. The market is expected to rebound in the second half of 2024.
Alternatively, due to the expansion of advanced packaging capacity in the semiconductor industry, it is expected to gradually spur capital expenditures and demand. Therefore, the Company expects the shipments of its self-developed and agency laser equipment to relevant industries to increase from 2023..

III. Cash flows

Unit: NT$1,000

Cash balance, beginning	Net cash flows from operating activities throughout the year	Net cash flows from investing activities throughout the year	Net cash flows from financing activities throughout the year	Cash surplus (deficit)	Remedial measures for cash deficit	
					Investment plans	Financing plans
778,672	268,776	(215,012)	(176,438)	655,998	-	-

1. Analysis of changes in cash flows in the most recent year (i.e., 2023):
   (1) Operating activities: Net cash inflow, mainly due to more collected accounts receivable in 2023.
   (2) Investing activities: Net cash outflow, mainly due to the acquisition of financial assets at amortized cost - current and the increase in capital expenditures.
   (3) Financing activities: Net cash outflow, mainly due to the increase in repayments of short-term and loan-term borrowings in 2023.

2. Improvement plan in case of insufficient liquidity: N/A.

3. Analysis of cash flow changes in the coming year:
   The Company expects a cash inflow in 2024. Expenditures are mainly operating expenditures like materials purchase, goods purchase, and salary paid, and investing and financial expenditures like capital expenditure and payment of cash dividends. Since operating revenue and payment collection are stable, the Company does not expect any cash shortfall in the coming year; the Company's cash should be sufficient for operations.

IV. The effects that significant capital expenditures have on financial operations in the recent year:

The Company did not have any significant capital expenditure in the most recent year.

V. Investment policy in the past year, profit/loss analysis, improvement plan, and investment plan for the coming year:

(I) Investment policy:

The Company makes investment based on operational needs and future development; it also assesses the investees' location, organizational type, shareholding ratio, and financial position, so as to provide a basis for the management to make decisions. The Company grasps investees' business and financial position and analyzes investment effectiveness, so as to facilitate follow-up and assessment by the management.

In addition, the Company has put in place regulations for managing the operations of subsidiaries, and established a mechanism for managing associated operating risks, so as to maximize operating achievements.

The Company's major investment policy is as follows:

(1) Tap into the market in mainland China to serve customers in close proximity and gain market shares.

(2) Center on the technologies required for own business; work with

relevant technology industries to increase products' depth and broadness, expand customer base, and establish a complete product supply chain.

(II)Investment profit/loss analysis, and major causes:

Most of the Company's investees are 100% owned. The profits of the investees in 2023 increased by approximately NT$40,435 thousand compared with the previous year. This was mainly due to the increase in shipments of equipment products sold by the reinvested subsidiaries.

(III)Improvement plan:

The Company will continue to accelerate integration of investees' resources and technology and improve their effectiveness, so as to increase their profitability.

(IV)Investment plan for the following year: Subject to operational conditions in the future.

VI. Risk Analysis and Assessment

(I) Impact of interest rate and exchange rate changes and inflation on Company's profit, and response measures:

Unit: NT$1,000

2023	Long-term borrowings		Exchange gain (loss) arising from exchange rate changes
	Interest rate	Interest expenses	
	0.5%~2.37%	38,781	21,434

(1) The Company's short-term borrowing and long-term borrowings outstanding at the end of 2023 totaled NT$1,775,016 thousand, and interest expenses totaled NT$38,781 thousand, accounting for 3.29% of the operating revenue of the year. Therefore, the impact of interest rate fluctuation on the Company's profit or loss is quite limited. The Company will keep in close contact with banks and attend to interest rate trends, so as to seek low-interest rate financial facilities, thereby reducing its interest expenses.

(2) In 2023, exports constituted more than 69.05% of the Group's total operating revenue, and exchange gains amounted to NT$21,434 thousand, accounting for about 1.82% of the operating revenue of the year. Since the NTD did not depreciate much against the USD in 2023, the fluctuation of the exchange rate of TWD against USD has had a small impact on the Company. To maintain profitability, the Company tracks exchange rate changes continuously, and cope with

exchange rate fluctuation by employing the following methods:

1. Open a foreign currency account, through which the Company adjusts its foreign currency position depending on capital needs and exchange rate trends.
2. Have the business department factor in exchange rate changes when giving a quotation, so as to ensure due profits; give quotation in the foreign currency same as that used for imports purchase, so as to reduce exchange rate risks.
3. Collect exchange rate changes information every day to keep abreast of exchange rate trends.
4. Enter into a forward contract to purchase (sell) foreign currencies, or employ other derivatives.

(3) Inflation magnitude in the most recent year did not significantly impact the Company's operations or profit or loss. The Company will attend to market price fluctuation at all times lest inflation poses significant impact on the Company.

(II) Policies, main causes of gain or loss, and future response measures with respect to high-risk, high-leveraged investments, lending, or endorsement guarantees, and derivatives transactions:

(1) The Company's financial operation is based on the principle of robustness; the Company did not engage in high-risk or highly-leveraged investment. In addition, each investment project is required to go through meticulous assessment before being submitted to the Board of Directors for approval. In the most recent year and in the current year up to the publication date of this annual report, the Company did not engage in any high-risk or highly-leveraged investment.

(2) The Company's loaning of funds to others or endorsements and guarantees for others in the most recent year and in the current year up to the publication date of its prospectus were provided only to subsidiaries, within the limit or credentials set forth in the competent authority's regulations and in the Company's internal regulations. As of now, the Company loans funds or makes endorsements and guarantees for no one except subsidiaries. In addition, provision of funds or endorsements or guarantees is based on the Company's "Procedures for Extending Loans to Others", has been filed and announced by law, and therefore does not pose any significant impact.

(3) The Company engages in derivative transactions by its "Procedure for the Acquisition or Disposal of Assets", and files and declares such transactions according to law. In addition, the Company transacts foreign currency forward contracts and derivatives mainly to hedge the risk of exchange rate changes entailed in debts and claims denominated

in foreign currency. In the future, the Company will still adopt a natural balance strategy.

(III) Future R&D Programs and Expected R&D Investment

1. Project item planned to be developed in the future:

Product name	Content
Gen 2 wafer trimmer	● Improve stability of Z-axis Gen 1 in lifting operation ● Improve coaxial CCD precision ● Increase real-time monitoring of laser parameters
Offline wafer trim models	● Incorporate high-speed reflective galvanometer ● to improve the precision of coaxial CCD.
Function trim	● High-end chips can be connected with external instruments to measure while performing functional laser trimming on a chip-by-chip basis ● Overall processing accuracy <1um, processing capacity stability <1%rms ● Customized laser specifications and special laser optical path system
Automotive cavity light guide plate drilling machine	● Introduce coaxial quality inspection function during processing ● Loading on equipment platform can exceed 200KG ● cycle time > 1,000,000 holes/hr
3D automotive electronic module cutter	● Customized laser specifications with higher peak power and processing frequency, thereby improving processing speed and quality. ● Special light processing technology that does not damage the substrate when slicing 3D stacked structures.
Four-headed laser ceramic rapid drilling and processing machine (Gen II)	● 3D Line scan for pre-inspection QC that checks for warpage and deformation of input materials. ● AOI post-inspection of hole size and offset after laser processing. ● The equipment can be programmed to control pre-cut and post-cut process changes, and has composite processing switching characteristics.

2. R&D expenditures further expected:
   The Company will persist in investing in product research and development to augment market competitiveness; it expects the total research and development expenditures in 2024 to be about NT$50,000 thousand and is estimated to account for 3.5% of revenue.

(IV) Major changes in government policies and laws at home and broad, the impact on Company finance and business, and response measures:
The Company fully aligns itself with any amendment of important policies or laws such as corporate governance, the Company Act, the Securities and Exchange Act, and the IFRSs. In addition, the Company's management attends to any change in domestic and foreign important policy and laws, and takes the initiative to propose response measures in a timely manner. Therefore, changes in domestic and foreign important policy or law do not significantly impact the Company's business and financial affairs.

(V) Impact of recent technological (including information security risks) and market changes on finance and business of the Company, and response measures:
The Company watches closely technological changes in the industry it belongs to, and will, in view of the circumstances, assign staff or a project team to study and evaluate the impact of those changes on the Company's

development, finance and business in the future as well as response measures. There was no instance of important technological or industrial changes in the most recent year that would significantly impact the Company's business and finance.

(VI) Impact of corporate image change on risk management and response measures:

As always, the Company greatly values its corporate image. As of the publication date of this annual report, there was no incident that would change the Company's corporate image.

(VII) The expected benefits and possible risks of mergers and acquisitions as well as the responding measures:

There was no merger and acquisition during the most recent year or during the current year up to the publication date of the annual report.

(VIII) Expected benefits and possible risks of factory expansions as well as the response measures:

As of the publication date of the prospectus, the Company did not have a plan to expand its factories.

(IX) Risks associated with over-concentration in purchase or sale and response measures:

Purchase: The Company mainly manufactures and sells tape and reel packaging materials for active and passive components, laser equipment, and SMT equipment. Each type of business has multiple suppliers. There was no single supplier from which the purchase accounted for 30% or more of the purchase of the year. In addition, since purchases are dispersively sourced, there is no risk of excess concentration of purchases.

Sales: None of the Company's 10 largest customers constituted 30% or more of operating revenue in the most recent year, indicating that sales are diversified and do not exhibit a risk of excessive concentration.

(X) Impact of mass transfer of equity by or change of directors, supervisors, or shareholders holding more than 10% interest on the Company, associated risks and response measures:

Equity transferred by directors and supervisors - the Company does not have any major shareholder who holds 10% stake or more in the Company - in the last three years and in the current year up to the publication date of the prospectus did not change much and therefore would have only limited impact on the Company.

(XI) The effects that change in management has on the Company as well as risk and responding measures: Not applicable.

(XII) List major litigious, non-litigious, or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.

1. The Company's concluded or pending major litigations: N/A.

2. Major litigious, non-litigious, or administrative disputes that (1) involve the Company and/or any company director, any company supervisor, or any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and (2) could materially affect shareholders' equity or the prices of the Company's securities: N/A.
3. If any financial difficulties or loss of credit standing occurs to the Company’s director, supervisor, manager, or major shareholders with 10% interests or more in the most recent year and up to the publication date of this Annual Report, the impact on the Company’s financial status should be stated： N/A.

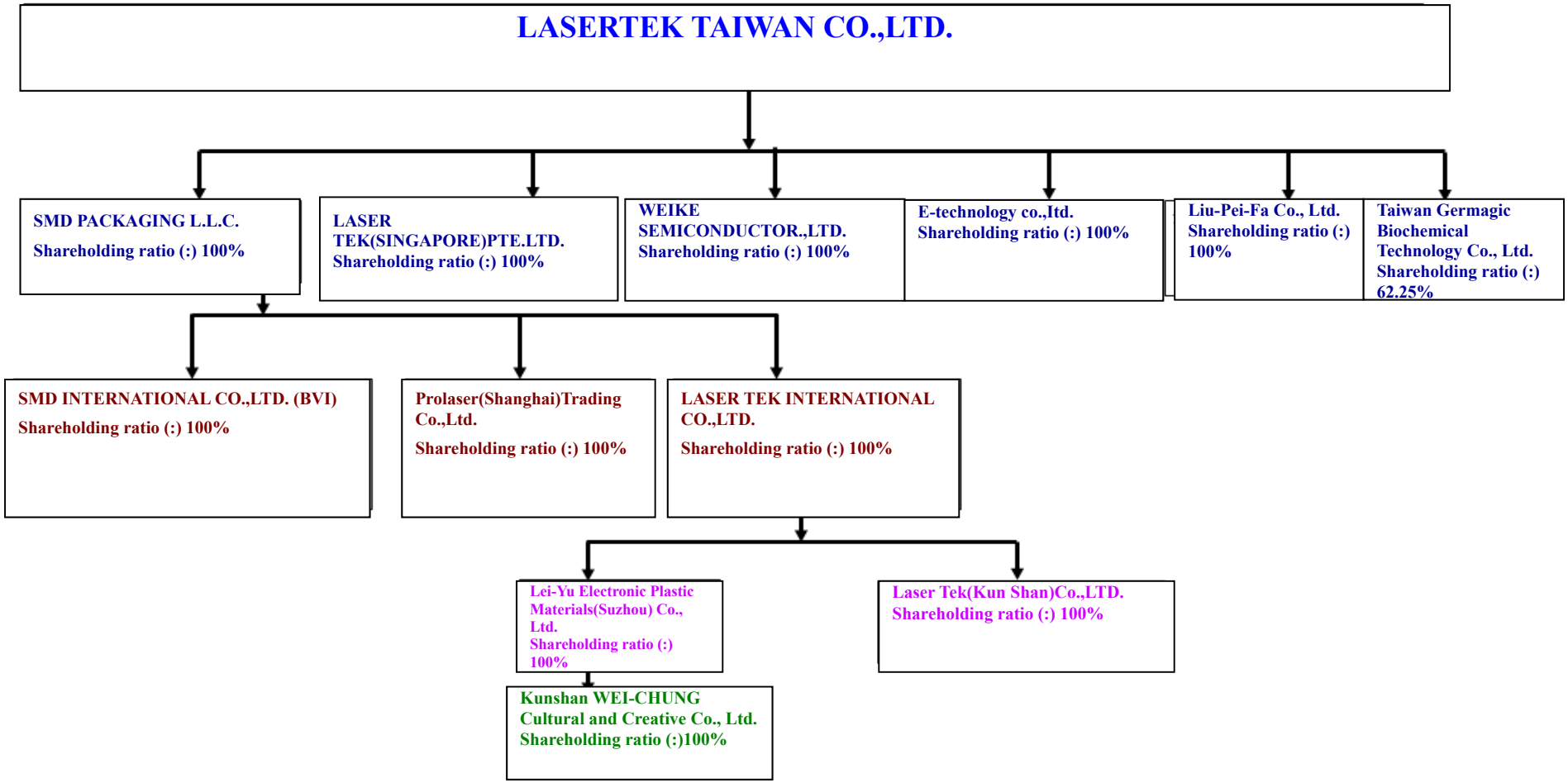
(XIII) Other significant risks and response measures: N/A.

VII. Other important matters: N/A.

Chapter VIII Special disclosures

I. Profiles of affiliates and subsidiaries

(I) Affiliates organizational chart



(II) Basic information of the various affiliated enterprises

Company name	Paid-in capital	Main business/products
SMD PACKAGING L.L.C.	US$1,678,065	Holding company
LASER TEK(SINGAPORE)PTE.LTD.	SGD$3,820,000	Production and development of laser equipment
Jie-Yan-Jie-Neng Technology Co., Ltd.	NT$30,000,000	Holding company
WEIKE SEMICONDUCTOR CO., LTD.	NT$76,000,000	Semiconductor equipment and parts
SMD INTERNATIONAL CO.,LTD.	US$1,970,000	Slitting and sale of chip resistor packaging paper tape and anti-static top/bottom tape
LASER TEK INTERNATIONAL CO.,LTD.	US$1,905,734	Slitting and sale of chip resistor packaging paper tape and anti-static top/bottom tape
Press (Shanghai) Trading Co., Ltd.	US$1,000,000	International trade, entrepot trade, trade between enterprises in the bonded zone, and a trade agent.
Lei-Yu Electronic Plastic Materials(Suzhou) Co., Ltd.	US$11,100,000	Manufacture of plastic products and electronic component packaging materials and design, manufacture, and assembly of automation equipment.
LASER TEK KUNSHAN CO., LTD.	US$2,492,713	Slitting of chip resistor packaging paper tape.
Kunshan WEI-CHUNG Cultural and Creative Co., Ltd.	RMB$1,000,000	Trade and sale of art works and liquor.
Liu-Pei-Fa Co., Ltd.	NT$20,000,000	Holding company
Taiwan Germagic Biochemical Technology Co., Ltd.	NT$15,000,000	Pollution control equipment manufacturing

(III) Information of common shareholders who are presumed to have a relationship of control and subordination: None

(IV) Information on directors, supervisors and president of affiliates

Unit: NT$1,000, USD1,000, CNY1,000/thousand shares

Company name	Title	Name or representative	Shareholding	
			Investment amount	Shareholding ratio
SMD PACKAGING L.L.C.	Chairman	LaserTek Taiwan Co., Ltd. CHENG, TSAI-HSIN (Representative)	NT$68,453	100%
LASER TEK(SINGAPORE)PTE.LTD.	Chairman	LaserTek Taiwan Co., Ltd. CHENG, TSAI-HSIN (Representative)	NT$80,458	100%
Jie-Yan-Jie-Neng Technology Co., Ltd.	Chairman	LaserTek Taiwan Co., Ltd: CHENG, TSAI-HSIN	NT$30,000	100%
WEIKE SEMICONDUCTOR CO., LTD.	Chairman	Jie-Yan-Jie-Neng Technology Co., Ltd.: Yu-Ting Huang	NT$76,000	100%
SMD INTERNATIONAL CO.,LTD.	Representative:	SMD PACKAGING L.L.C CHENG, TSAI-HSIN (Representative)	US$1,970	100%
LASER TEK INTERNATIONAL CO.,LTD.	Representative:	SMD PACKAGING L.L.C CHENG, TSAI-HSIN (Representative)	US$1,906	100%
Press (Shanghai) Trading Co., Ltd.	Representative:	LIN, KUNG-CHENG (Representative)	US$1,000	100%
Lei-Yu Electronic Plastic Materials(Suzhou) Co., Ltd.	Representative:	CHENG, YU-HUI (Representative)	US$11,100	100%
LASER TEK KUNSHAN CO., LTD.	Representative:	HUANG, YU-TING (Representative)	US$2,492	100%
Kunshan WEI-CHUNG Cultural and Creative Co., Ltd.	Representative:	HUANG, YU-TING (Representative)	RMB$1,000	100%
Liu-Pei-Fa Co., Ltd.	Chairman	LaserTek Taiwan Co., Ltd. CHENG, TSAI-HSIN (Representative)	NT$20,000	100%
Taiwan Germagic Biochemical Technology Co., Ltd.	Chairman	CHUANG, YU-KU	NT$9,352	62.25%

(V) Operational overview of each affiliate

Unit: NT$1,000, USD1,000, CNY1,000, SGD1,000

Company name	Currency	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profits	Income for the current period	Earnings per share (NTD)
SMD PACKAGING L.L.C.	USD	**1,678**	61,602	0	61,602	0	(3)	(1,744)	-
LASER TEK KUNSHAN CO., LTD.	RMB	**16,406**	7,020	6,852	168	5,671	(2,906)	(2,419)	-
Press Shanghai Trading Co., Ltd.	RMB	**7,227**	9,286	10,213	(928)	7,588	(1,251)	(1,425)	-
LaserTek Singapore Co., Ltd.	SGD	**3,820**	19,326	1,910	174,070	10,843	2,977	2,388	-
SMD INTERNATIONAL CO.,LTD	USD	**1,970**	21,000	0	21,000	0	(4)	327	-
LASERTEK INTERNATIONAL CO.,LTD	USD	**1,906**	39,408	1,171	38,238	2,557	(1,004)	(1,912)	-
Laser Tek Xiamen Co., Ltd.	RMB	**2,600**	0	12	-12	0	0	0	-
Jie-Yan-Jie-Neng Technology Co., Ltd.	NTD	**30,000**	42,060	30	42,030	5,765	4,736	5,385	-
WEIKE SEMICONDUCTOR CO., LTD.	NTD	**76,000**	324,124	227,494	96,630	893,087	20,330	50,356	-
Lei-Yu Electronic Plastic Materials (Suzhou) Co., Ltd.	RMB	**69,294**	54,525	175	54,351	0	(889)	330	-
Kunshan WEI-CHUNG Cultural and Creative Co., Ltd.	RMB	**1,000**	1,252	115	1,137	34	1	2	-
Liu-Pei-Fa Co., Ltd.	NTD	**20,000**	19,476	13	19,463	0	(231)	(208)	-
Taiwan Germagic Biochemical Technology Co., Ltd.	NTD	**15,000**	9,622	484	9,138	2,654	(6,306)	(5,653)	

(VI) Affiliation Reports; Consolidated Financial Statements of Affiliated Enterprises: Please refer to p. 172.

II. Status of private placement of securities in the most recent year and up to the publication date of this Annual Report: N/A.

III. Holding or disposal of stocks of the Company by subsidiaries in the past year and up to the date of report: N/A.

IV. Other supplemental information:

(I) Commitments made as an OTC-traded company: The Company did not have any commitment made as an OTC-traded company:

Chapter IX. Corporate events with material impact on shareholders' equity or securities prices set forth in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act in the most recent year and up to the publication date of this Annual Report: N/A.

Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of LASER TEK TAIWAN CO., LTD. (the "Consolidated FS of the Affiliates"), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2023 in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those required to be included in the Consolidated Financial Statements of LASER TEK TAIWAN CO., LTD. and its subsidiaries (the "Consolidated FS of the Group") in accordance with International Financial Reporting Standard 10. Additionally, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, LASER TEK TAIWAN CO., LTD. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,
LASER TEK TAIWAN CO., LTD.
By

CHENG, TSAI-HSIN, Chairman
March 14, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To LASER TEK TAIWAN CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of LASER TEK TAIWAN CO., LTD. AND SUBSIDIARIES (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Accuracy of the timing of revenue recognition from export sales

Description

The Group has two primary types of sales, specifically, domestic sales and export sales. Export sales have different transaction terms depending on the sales orders, contracts or other commitments of each sales customer. Sales are recognised when control of the goods has transferred. The revenue recognition shall be identified individually, which may potentially result in inappropriate timing of revenue recognition around the end of the reporting period. Therefore, we identify the accuracy of the timing of revenue recognition from export sales as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding on, assessed and tested whether the Group's internal control procedures of revenue recognition were reasonable and performed effectively.
2. Obtained the transaction details of revenue transactions from export sales during a certain period around the end of the reporting period to perform cut-off tests, including checking related documents such as customer orders, delivery orders and export declarations, to ascertain revenue had been recorded in the appropriate period.

Evaluation of inventories

Description

Please refer to Note 4(14) of the consolidated financial statements for accounting policies on evaluation of inventories, Note 5(2) for accounting estimates and assumption uncertainty of evaluation of inventories and Note 6(5) for details of inventories.

The Group manufactures and sells surface mount devices (SMD) electronic materials, surface mount technology (SMT) related equipment and laser equipment. As the life cycles of electronic material products are relatively short, the market is highly competitive and the rapid obsolescence of equipment products varies, there is a higher risk of incurring inventory valuation loss or having obsolete inventories. In addition, as the items of the Group's inventories are numerous and the estimated amounts of net realisable value involve subjective judgement, there is a high degree of estimation uncertainty. Therefore, we consider the evaluation of inventories significant to the financial statements and identified it as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of provision policies and procedures used for allowance for inventory valuation loss, including the reasonableness of the inventory clearance and how the management identified obsolete inventory items, based on our understanding of the operations and industry characteristics of the Group.
2. Obtained an understanding of inventory management processes and assessed the inventory position and the effectiveness of management's classification and control over obsolete inventory by participating in the observation of annual physical inventory count.
3. Sampled and tested the accuracy of inventory aging calculation, ascertained the reasonableness of identifying slow-moving and obsolete inventories and verified the reasonableness of assessment basis adopted for net realisable value to assess the adequacy of provision on allowance for inventory valuation loss and the consistency of policies.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of LASER TEK TAIWAN CO., LTD. as at and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Liao, A-Shen　　Wang, Kuo-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

LASER TEK TAIWAN CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 659,580	16	$ 778,672	20
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	459,098	12	452,700	11
1136	Current financial assets at amortised cost	6(1) and 8	794,818	20	628,668	16
1140	Current contract assets	6(20) and 7	6,125	-	5,227	-
1150	Notes receivable, net	6(4)	5,363	-	17,686	1
1170	Accounts receivable, net	6(4)	368,841	9	472,442	12
1200	Other receivables		14,875	-	10,227	-
1220	Current income tax assets		833	-	765	-
130X	Inventories	6(5)	221,628	6	220,242	6
1410	Prepayments	6(6)	78,388	2	52,225	1
1479	Other current assets, others		4,080	-	3,635	-
11XX	**Current Assets**		2,613,629	65	2,642,489	67
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)	169,841	4	155,209	4
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	464,315	12	361,385	9
1550	Investments accounted for using equity method	6(7)	9,895	-	-	-
1600	Property, plant and equipment	6(8) and 8	631,730	16	677,033	17
1755	Right-of-use assets	6(9)	77,266	2	88,211	2
1780	Intangible assets	6(11)	1,989	-	1,385	-
1840	Deferred income tax assets	6(26)	17,389	-	19,110	-
1915	Prepayments for business facilities		1,954	-	-	-
1920	Guarantee deposits paid		22,563	1	23,029	1
1990	Other non-current assets, others		2,789	-	4,507	-
15XX	**Non-current assets**		1,399,731	35	1,329,869	33
1XXX	**Total assets**		$ 4,013,360	100	$ 3,972,358	100

(Continued)

LASER TEK TAIWAN CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12) and 8	$ 1,403,750	35	$ 1,416,350	36
2110	Short-term notes and bills payable	6(13)	15,000	-	70,000	2
2120	Financial liabilities at fair value through profit or loss - current	6(2)	12,762	-	3,917	-
2130	Current contract liabilities	6(20)	29,816	1	28,179	1
2170	Accounts payable		105,207	3	123,218	3
2200	Other payables	6(14) and 7	109,645	3	122,620	3
2230	Current income tax liabilities		45,581	1	42,030	1
2280	Current lease liabilities		6,570	-	9,032	-
2320	Long-term liabilities, current portion	6(15) and 8	151,319	4	142,697	3
2399	Other current liabilities, others		28,627	1	24,834	1
21XX	**Current Liabilities**		1,908,277	48	1,982,877	50
	Non-current liabilities					
2540	Long-term borrowings	6(15) and 8	219,947	5	195,582	5
2570	Deferred income tax liabilities	6(26)	24,205	1	23,522	1
2580	Non-current lease liabilities		48,826	1	56,391	1
2670	Other non-current liabilities, others	6(7)	7,182	-	7,171	-
25XX	**Non-current liabilities**		300,160	7	282,666	7
2XXX	**Total Liabilities**		2,208,437	55	2,265,543	57
	Equity attributable to owners of parent					
	Share capital	6(17)				
3110	Share capital - common stock		796,799	20	796,799	20
	Capital surplus	6(18)				
3200	Capital surplus		132,061	3	132,061	3
	Retained earnings	6(19)				
3310	Legal reserve		373,302	9	358,246	9
3320	Special reserve		66,112	2	231,109	6
3350	Unappropriated retained earnings		414,098	10	237,367	6
	Other equity interest					
3400	Other equity interest		18,017	1	(66,112)	(1)
31XX	**Equity attributable to owners of the parent**		1,800,389	45	1,689,470	43
36XX	Non-controlling interest		4,534	-	17,345	-
3XXX	**Total equity**		1,804,923	45	1,706,815	43
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 4,013,360	100	$ 3,972,358	100

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

LASER TEK TAIWAN CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(20) and 7	$ 1,177,816	100	$ 1,386,770	100
5000	Operating costs	6(5)(25) and 7	(790,901)	(67)	(935,626)	(67)
5900	Net operating margin		386,915	33	451,144	33
	Operating expenses	6(25)				
6100	Selling expenses		(74,882)	(6)	(76,986)	(6)
6200	General and administrative expenses		(187,408)	(16)	(180,330)	(13)
6300	Research and development expenses		(31,220)	(3)	(32,353)	(2)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	11,070	1	3,123	-
6000	Total operating expenses		(282,440)	(24)	(286,546)	(21)
6900	Operating profit		104,475	9	164,598	12
	Non-operating income and expenses					
7100	Interest income	6(21)	51,257	4	17,229	1
7010	Other income	6(22) and 7	58,601	5	65,122	5
7020	Other gains and losses	6(2)(23)	19,360	1	(22,272)	(2)
7050	Finance costs	6(24)	(38,781)	(3)	(28,085)	(2)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	144	-	32	-
7000	Total non-operating income and expenses		90,581	7	32,026	2
7900	**Profit before income tax**		195,056	16	196,624	14
7950	Income tax expense	6(26)	(50,075)	(4)	(46,086)	(3)
8200	**Profit for the year**		$ 144,981	12	$ 150,538	11
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3) and 12(3)	$ 80,522	7	($ 38,206)	(3)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		3,285	-	203,218	15
8300	**Other comprehensive income for the year**		$ 83,807	7	$ 165,012	12
8500	**Total comprehensive income for the year**		$ 228,788	19	$ 315,550	23
	Profit (loss) attributable to:					
8610	Owners of the parent		$ 146,612	12	$ 150,556	11
8620	Non-controlling interest		(1,631)	-	(18)	-
			$ 144,981	12	$ 150,538	11
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 230,439	19	$ 315,553	23
8720	Non-controlling interest		(1,651)	-	(3)	-
			$ 228,788	19	$ 315,550	23
	Earnings per share	6(27)				
9750	Total basic earnings per share		$	1.84	$	1.82
9850	Total diluted earnings per share		$	1.82	$	1.78

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

LASER TEK TAIWAN CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent										
		Capital Reserves			Retained earnings			Other equity interest				
		Share capital - common stock	Additional paid-in capital	Treasury stock transactions	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
2022												
Balance at January 1, 2022		$ 838,736	$ 131,066	$ 995	$ 332,530	$ 170,647	$ 298,799	($ 223,456)	($ 7,653)	$ 1,541,664	$ 11,741	$ 1,553,405
Profit (loss) for the year	6(27)	-	-	-	-	-	150,556	-	-	150,556	(18)	150,538
Other comprehensive income (loss) for the year	6(3)	-	-	-	-	-	-	203,203	(38,206)	164,997	15	165,012
Total comprehensive income (loss)		-	-	-	-	-	150,556	203,203	(38,206)	315,553	(3)	315,550
Appropriation and distribution of 2021 retained earnings:												
Legal reserve		-	-	-	25,716	-	(25,716)	-	-	-	-	-
Special reserve		-	-	-	-	60,462	(60,462)	-	-	-	-	-
Cash dividends	6(19)	-	-	-	-	-	(125,810)	-	-	(125,810)	-	(125,810)
Capital reduction	6(17)	(41,937)	-	-	-	-	-	-	-	(41,937)	-	(41,937)
Change in non-controlling interests		-	-	-	-	-	-	-	-	-	5,607	5,607
Balance at December 31, 2022		$ 796,799	$ 131,066	$ 995	$ 358,246	$ 231,109	$ 237,367	($ 20,253)	($ 45,859)	$ 1,689,470	$ 17,345	$ 1,706,815
2023												
Balance at January 1, 2023		$ 796,799	$ 131,066	$ 995	$ 358,246	$ 231,109	$ 237,367	($ 20,253)	($ 45,859)	$ 1,689,470	$ 17,345	$ 1,706,815
Profit (loss) for the year	6(27)	-	-	-	-	-	146,612	-	-	146,612	(1,631)	144,981
Other comprehensive income (loss) for the year	6(3)	-	-	-	-	-	-	3,305	80,522	83,827	(20)	83,807
Total comprehensive income (loss)		-	-	-	-	-	146,612	3,305	80,522	230,439	(1,651)	228,788
Appropriation and distribution of 2022 retained earnings:												
Legal reserve		-	-	-	15,056	-	(15,056)	-	-	-	-	-
Special reserve		-	-	-	-	(164,997)	164,997	-	-	-	-	-
Cash dividends	6(19)	-	-	-	-	-	(119,520)	-	-	(119,520)	-	(119,520)
Change in non-controlling interests	6(28)	-	-	-	-	-	-	-	-	-	(11,160)	(11,160)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	-	-	(302)	-	302	-	-	-
Balance at December 31, 2023		$ 796,799	$ 131,066	$ 995	$ 373,302	$ 66,112	$ 414,098	($ 16,948)	$ 34,965	$ 1,800,389	$ 4,534	$ 1,804,923

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

LASER TEK TAIWAN CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 195,056	$ 196,624
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(8)(9)(25)	58,345	58,062
Amortization expense	6(11)(25)	1,781	1,872
Expected credit gain	12(2)	(11,070)	(3,123)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(23)	(31,216)	90,541
Interest expense	6(24)	38,781	28,085
Interest income	6(21)	(51,257)	(17,229)
Dividend income	6(3)(22)	(11,884)	(18,987)
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(144)	(32)
Loss on disposal of investments	6(23)	-	2,219
Loss(gain) on disposal of property, plant and equipment	6(23)	209	(942)
Property, plant and equipment transferred to expenses		-	13,359
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		(898)	(5,227)
Notes receivable		12,323	16,862
Accounts receivable		114,671	243,623
Other receivables		28,183	24,348
Inventories		(2,799)	36,922
Prepayments		(26,336)	11,408
Other current assets, others		(445)	(247)
Changes in operating liabilities			
Current contract liabilities		1,637	(36,683)
Accounts payable		(18,011)	(22,273)
Other payables		(12,723)	(18,280)
Other current liabilities, others		3,793	4,282
Other non-current liabilities, others		256	549
Cash inflow generated from operations		288,252	605,733
Interest received		51,257	17,229
Dividends received		11,884	18,987
Interest paid		(38,429)	(27,769)
Income taxes paid		(44,188)	(29,308)
Net cash flows from operating activities		268,776	584,872

(Continued)

LASER TEK TAIWAN CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of current financial assets at fair value through profit or loss		($ 101,175)	($ 184,189)
Proceeds from disposal of current financial assets at fair value through profit or loss		66,156	212,862
(Increase) decrease in financial assets at amortised cost		(166,150)	(103,580)
Proceeds from disposal of non-current financial assets at fair value through profit or loss		21,815	62,445
Acquisition of non-current financial assets at fair value through other comprehensive income	12(3)	(41,004)	(65,938)
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income		339	-
Proceeds from capital reduction of non-current financial assets at fair value through other comprehensive income	12(3)	18,480	89,753
Acquisition of investments accounted for using equity method		(9,996)	-
Proceeds from disposal of investments accounted for using equity method		-	2,733
Net cash flow from acquisition of subsidiaries	6(29)	-	4,595
Acquisition of property, plant and equipment	6(30)	(3,042)	(36,996)
Proceeds from disposal of property, plant and equipment		134	2,263
Acquisition of intangible assets	6(11)	(2,385)	(1,116)
Increase in prepayments for business facilities		(1,954)	-
Decrease (increase) in guarantee deposits paid		466	(14,896)
Decrease in other non-current assets, others		3,304	4,327
Net cash flows used in investing activities		(215,012)	(27,737)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term loans	6(31)	(12,600)	(64,000)
Decrease in short-term notes and bills payable	6(31)	(55,000)	(20,000)
Proceeds from long-term borrowings	6(31)	200,000	-
Repayments of long-term borrowings	6(31)	(167,013)	(180,197)
Payments of lease liabilities	6(31)	(11,145)	(11,438)
Cash dividends paid	6(19)	(119,520)	(125,810)
Capital reduction payments to shareholders	6(17)	-	(41,937)
Change in non-controlling interests	6(28)	(11,160)	-
Net cash flows used in financing activities		(176,438)	(443,382)
Effect of exchange rate changes on cash and cash equivalents		3,582	131,031
Net (decrease) increase in cash and cash equivalents		(119,092)	244,784
Cash and cash equivalents at beginning of year		778,672	533,888
Cash and cash equivalents at end of year		$ 659,580	$ 778,672

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

LASER TEK TAIWAN CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

(1) LASER TEK TAIWAN CO., LTD. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) in September 1988. The Company is primarily engaged in the processing of surface mount devices (SMD), surface mount technology (SMT) equipment, enterprise intelligent information systems and laser precision, the manufacturing, processing and sales of laser trimming machines, the design and sales of testing probe cards and the manufacturing and processing of printing materials. The Company's shares have been listed on the Taipei Exchange starting from December 2002.

(2) The main activities of the Company and its subsidiaries (collectively referred herein as the 'Group') are provided in Note 4(3) B.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorized for issuance by the Board of Directors on March 14, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2023	Ownership(%) December 31, 2022	Description
LASERTEK TAIWAN CO.,LTD.	SMD PACKING L. L. C.	Holding company	100	100	
	LASER TEK(SINGAPORE) PRE., LTD.	Electronic products, FDR information retrieval system, LCD TEST, Electronic test fixture	100	100	
	E-technology Co., Ltd.	Lighting equipment construction, wholesale of electrical appliances and electronic materials and international trade	100	90	Note 1
	WEIKE SEMICONDUCTOR CO., LTD.	Retail sale and wholesale of electrical appliances and electronic materials and maintenance of semiconductor equipment and parts	100	100	
	LIOU BEI FA CO., LTD.	Solar Thermal Energy Equipment Installation Engineering and Energy Technical Services	100	100	Note 2
	Taiwan Germagic Biochemical Technology Co., Ltd.	Pollution controlling equipment manufacturing	62.25	62.25	Note 3
SMD PACKING L. L. C.	SMD INTERNATIONAL CO., LTD.	Slitting and sales of chip resistor packaging carrier tape and top and bottom tape for antistatic formula	100	100	
	LASER TEK INTERNATIONAL CO., LTD.	Slitting and sales of chip resistor packaging carrier tape and top and bottom tape for antistatic formula	100	100	
	Prolaser (Shanghai) Trading CO., Ltd.	International trade and entrepot trade as well as trade and trade agency among enterprises in customs bonded area	100	100	
	Laser Tek (Xiamen) Electronic Material Corp.	Production and sales of carrier tape and top and bottom tape	100	100	
LASER TEK INTERNATIONAL CO., LTD.	Laser Tek (Kun Shan) Co., LTD.	Processing and sales of packaging materials for electronic components	100	100	
	LASER TEK (SUZHOU) CO., LTD.	Processing and sales of packaging materials for electronic components	100	100	
LASER TEK (SUZHOU) CO., LTD.	Kunshan Weizhong Culture Creative Co., Ltd.	Planning cultural and artistic activities, sales of chemical raw materials and foods as well as import and export of goods and technologies	80	80	

Note 1: On August 31, 2023, the Group acquired 10% of equity interests in this subsidiary. Refer to Note 6(28) for details.

Note 2: This subsidiary has approved the amended Articles of Incorporation on June 27, 2022, re-formed its legal identity, changed the industry which the Group is in and received an approval letter of the registration on July 14, 2022.

Note 3: On June 8, 2022, the Group acquired 42.25% of equity interests in this subsidiary which is included in the consolidated financial statements since the Company obtained control over it. Refer to Note 6(29) for details.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. If assets and liabilities are related to the construction business, they are classified as current or non-current according to their operating cycle; if they are not related to the construction business, they are classified by annual basis.

B. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

C. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits with original maturity within three months that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs.

The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's demand deposits - reserve account and time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor)－operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using the equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	8~57 years
Machinery and equipment	1~10 years
Transportation equipment	1~5 years
Office equipment	1~5 years
Leasehold improvements	1~3 years
Other equipment	1~12 years

(17) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the discounted net present value of the remaining lease payments at the commencement date. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(18) Intangible assets

Mainly refer to computer software which is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 year(s).

(19) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(20) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised over the period of the borrowings using the effective interest method.

(21) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(24) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(26) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss

and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(27) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(28) Dividends

Dividends are recorded as liabilities in the Company's financial statements in the period in which they are resolved by the Board of Directors. Stock dividends are recorded as stock dividends to be distributed when they are approved by the Company's shareholders, and are reclassified to ordinary shares on the effective date of new shares issuance.

(29) Revenue recognition

A. Sales revenue

The Group manufactures and sells SMD electronic materials, SMT related equipment and laser equipment. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Contract liabilities are recognised when the Company has received consideration or an amount of consideration is due from the customer before transferring the goods to the customer. Contract liabilities are transferred to revenue when the Company transferred the goods to the customer.

B. Repair and maintenance service revenue

The Group provides machine and after-sales maintenance services. Revenue is recognised when the services are rendered.

C. Commissions revenue

Revenue is recognised based on the net amount of the commissions received when the Group acts as an agent but not a principal obligor in a transaction.

D. The Group's construction contracts revenue mainly arises from the construction contracts and belongs to performance obligation satisfied over time. If the outcome of a construction contract can be estimated reliably and it is probable that this contract would make a profit, contract revenue should be recognised by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. The stage of completion of the contract is measured by the proportion of contract costs incurred for work performed to date to the estimated total costs for the contract.

The excess of the cumulative costs incurred plus recognised profits (less recognised losses) over the progress billings on each construction contract is presented as an asset within 'contract assets'. While, the excess of the progress billings over the cumulative costs incurred plus recognised profits (less recognised losses) on each construction contract is presented as a liability within 'contract liabilities'.

(30) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the

acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(31) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

The Group had made judgements in applying accounting policies when preparing the consolidated financial statements. However, the judgements made has no material impact to the adoption of accounting policies.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories was $221,628.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 859	$ 1,271
Checking accounts and demand deposits	628,721	654,601
Time deposit	30,000	122,800
	$ 659,580	$ 778,672

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Times deposits with original maturity over three months held by the Group on December 31, 2023 and 2022 amounted to $331,224 and $265,634, respectively. The time deposits had been classified to current financial assets at amortised cost as they were not highly liquid investments. Interest income of the aforementioned time deposits was recognised under interest income from bank deposits. Please refer to Note 6(21).

C. Cash and cash equivalents that were restricted because of pledging to others as collateral on December 31, 2023 and 2022 amounting to $463,594 and $363,034, respectively, had been classified to current financial assets at amortised cost. Please refer to Note 8.

(2) Financial assets and liabilities at fair value through profit or loss

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 148,773	$ 138,271
Emerging stocks	15,502	6,734
Beneficiary certificates	261,502	225,236
Bank debentures	90,832	99,631
Financial product	-	30,700
Derivative financial instruments - exchange rate swaps	-	296
	516,609	500,868
Valuation adjustment	(57,511)	(48,168)
	$ 459,098	$ 452,700
Financial liabilities held for trading		
Derivative financial instruments - exchange rate swaps	$ 12,762	$ 3,917
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 35,087	$ 49,590
Evenstar Sub-fund- 1 Segregated Protolio, Class D Restricted	153,550	153,500
	188,637	203,090
Valuation adjustment	(18,796)	(47,881)
	$ 169,841	$ 155,209

A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Year ended December 31	
	2023	2022
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	$ 19,730	($ 19,391)
Beneficiary certificates	20,094	(58,183)
Bank debentures	332	(16,272)
Financial product	201	4,676
Derivative instruments	(9,141)	(1,371)
	$ 31,216	($ 90,541)

B. Explanations of the transaction nature and contract information in respect of derivative financial instruments are as follows:

December 31, 2023					
Items	Currency	Contract amount		Fair value	Expiry date
Exchange rate swap	USD to NTD	USD	1,000 thousand	($ 1,229)	2024.01.04
Exchange rate swap	USD to NTD	USD	1,000 thousand	(1,271)	2024.01.17
Exchange rate swap	USD to NTD	USD	1,000 thousand	(1,421)	2024.01.25
Exchange rate swap	USD to NTD	USD	1,000 thousand	(1,468)	2024.01.29
Exchange rate swap	USD to NTD	USD	1,000 thousand	(1,481)	2024.01.30
Exchange rate swap	USD to NTD	USD	1,500 thousand	(1,801)	2024.02.05
Exchange rate swap	USD to NTD	USD	1,000 thousand	(1,341)	2024.02.20
Exchange rate swap	CNH to NTD	CNH	7,000 thousand	(350)	2024.03.08
Exchange rate swap	USD to NTD	USD	1,000 thousand	(740)	2024.03.13
Exchange rate swap	USD to NTD	USD	1,000 thousand	(570)	2024.03.20
Exchange rate swap	USD to NTD	USD	900 thousand	(352)	2024.03.25
Exchange rate swap	USD to NTD	USD	1,000 thousand	(423)	2024.03.25
Exchange rate swap	USD to NTD	USD	1,000 thousand	(315)	2024.03.27

December 31, 2022					
Items	Currency	Contract amount		Fair value	Expiry date
Exchange rate swap	USD to NTD	USD	1,000 thousand	($ 1,077)	2023.01.17
Exchange rate swap	USD to NTD	USD	1,000 thousand	(1,468)	2023.01.31
Exchange rate swap	USD to NTD	USD	1,000 thousand	(1,181)	2023.02.08
Exchange rate swap	USD to NTD	USD	1,000 thousand	167	2023.03.02
Exchange rate swap	USD to NTD	USD	1,000 thousand	95	2023.03.15
Exchange rate swap	CNH to NTD	CNH	7,000 thousand	(56)	2023.03.20
Exchange rate swap	USD to NTD	USD	1,000 thousand	(61)	2023.03.23
Exchange rate swap	USD to NTD	USD	1,500 thousand	34	2023.02.10
Exchange rate swap	USD to NTD	USD	1,000 thousand	(59)	2023.03.28
Exchange rate swap	USD to NTD	USD	500 thousand	(15)	2023.01.31

The Group engaged in exchange rate swap transactions to hedge exchange rate risk of export. However, these exchange rate swap transactions are not accounted for under hedge accounting.

C. Details of the Group's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2023	December 31, 2022
Non-current items:		
Equity instruments:		
Accuvest Capital I Limited	$ 54,234	$ 57,716
Accuvest Capital II Limited	53,689	53,671
Chun Mao Innovation Investment Corporation	50,000	50,000
Hopeson Printing CO., LTD.	50,000	50,000
Homenema Technology Incorporation	40,539	40,539
Cerulean Capital Corporation Limited Partnership	31,940	15,938
LeadSun Winion Limited	30,710	30,700
LeadSun Kcis Limited	30,710	30,700
ST&T Electric Corp.	27,000	27,000
Chun Sheng Innovation Investment Corporation	25,000	-
Hua Chun Venture Capital Corporation	10,720	10,720
Neolink Capital Corp.	10,051	17,575
Leadsun Investment & Asset Management Limited	7,732	7,730
LeadSun New Star Corp.	6,142	13,431
H&J Management Corporation	450	450
Accuvest Management Incorporated	276	277
Hua VII Venture Capital Corporation	157	157
Win-Iink Venture Capital Corp.	-	640
	429,350	407,244
Valuation adjustment	34,965	(45,859)
	$ 464,315	$ 361,385

A. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Dividend income recognised in profit or loss		
Held at end of year	$ 2,341	$ 8,053
Fair value change recognised in other comprehensive income	$ 80,522	($ 38,206)
Cumulative losses reclassified to retained earnings due to derecognition	$ 302	$ -

B. The Group has no financial assets at fair value through other comprehensive income pledged to others on December 31, 2023 and 2022.

(4) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 5,463	$ 17,786
Less: Allowance for uncollectible accounts	(100)	(100)
	$ 5,363	$ 17,686
Accounts receivable	$ 382,993	$ 497,664
Less: Allowance for uncollectible accounts	(14,152)	(25,222)
	$ 368,841	$ 472,442

A. The ageing analysis of notes receivable and accounts receivable that were past due but not impaired is as follows:

	December 31, 2023		December 31, 2022	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	$ 5,463	$ 364,733	$ 17,786	$ 446,404
Up to 30 days	-	6,829	-	25,404
31 to 90 days	-	50	-	598
91 to 180 days	-	-	-	-
181 to 240 days	-	-	-	-
Over 240 days	-	11,381	-	25,258
	$ 5,463	$ 382,993	$ 17,786	$ 497,664

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, notes receivable and accounts receivable were all from contracts with customers. Also, as of January 1, 2022, the balance of receivables from contracts with customers amounted to $775,774.

C. The Group has no notes receivable and accounts receivable pledged to others.

D. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable was $5,363 and $17,686 and accounts receivable (including related parties) was $368,841 and $472,442, respectively.

E. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

F. The Group has no collateral pledged for notes receivable and accounts receivable.

(5) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 52,396	($ 11,254)	$ 41,142
Raw materials	121,245	(25,897)	95,348
Supplies	3,788	(878)	2,910
Work in progress	1,792	-	1,792
Finished goods	113,293	(37,176)	76,117
Inventory in transit	4,319	-	4,319
	$ 296,833	($ 75,205)	$ 221,628

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 23,234	($ 6,724)	$ 16,510
Raw materials	117,139	(18,916)	98,223
Supplies	4,408	(954)	3,454
Work in progress	3,181	(1,352)	1,829
Finished goods	115,753	(32,572)	83,181
Inventory in transit	17,045	-	17,045
	$ 280,760	($ 60,518)	$ 220,242

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2023	2022
Cost of goods sold	$ 766,746	$ 890,211
Cost of engineering sales	-	29,981
Revenue from scraps	(1,487)	(2,046)
Loss on decline (gain on reversal of) in market value (Note)	14,687	(1,522)
Unamortised manufacturing expenses	6,062	5,437
Loss on inventories scrapped	2,196	7,745
Others	2,697	5,820
	$ 790,901	$ 935,626

Note: The Group reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because of the clearance and disposition of inventories.

(6) Prepayments

	December 31, 2023	December 31, 2022
Prepayments to suppliers	$ 49,154	$ 28,019
Prepaid and overpaid sales tax	6,429	4,465
Others	22,805	19,741
	$ 78,388	$ 52,225

(7) Investments accounted for using the equity method

A. Details are as follows:

	December 31, 2023		December 31, 2022	
	Amount	Shareholding ratio	Amount	Shareholding ratio
Best Power Service Co., Ltd.(Note 1)	$ 9,895	25	$ -	-
Germagic Biochemical Technology Co., Ltd. (Note 2)	-	-	-	-
Taiwan Germagic Biochemical Technology Co., Ltd. (Note 3)	-	-	-	-
	$ 9,895		$ -	

Credit for investment accounted for using the equity method(booked in other non-current liabilities－others)

	December 31, 2023		December 31, 2022	
	Amount	Shareholding ratio	Amount	Shareholding ratio
Media Mlife International Co., Ltd. (Note 4)	$ -	19.95	$ 241	19.95

Note 1: On January 3, 2023, Best Power Service Co., Ltd. increased its cash capital, and the Group acquired all its shares.

Note 2: All shareholdings have been sold on May 26, 2022.

Note 3: On June 8, 2022, the Group acquired 42.25% of equity interests in this subsidiary which is included in the consolidated financial statements since the Company obtained control over it. Refer to Note 6(29) for details.

Note 4: Although the group directly and indirectly holds less than 20% of the company’s voting shares, it is judged to have a significant influence on the company because it actually has the right to participate in the company's business decisions.

B. The share of gain (loss) of associates and joint ventures accounted for using equity method for the years ended December 31, 2023 and 2022 were $144 and $32, respectively.

C. The carrying amount of the Group’s interests in all individually immaterial associates and the Group’s share of the operating results are summarised below:

	Year ended December 31	
	2023	2022
Profit for the period from continuing operations	$ 144	$ 32
Other comprehensive income, net of tax	-	-
Total comprehensive income	$ 144	$ 32

(8) Property, plant and equipment

A. The book value information is as follows:

	December 31, 2023	December 31, 2022
Land	$ 32,585	$ 32,585
Buildings and structures	371,928	379,428
Machinery and equipment	92,027	104,318
Transportation equipment	10,659	10,018
Office equipment	3,863	4,641
Leasehold improvements	2,643	5,219
Other equipment	65,666	74,375
Unfinished construction and equipment	52,359	66,449
	$ 631,730	$ 677,033

B. The movements for the years are as follows:

Year ended December 31, 2023

	Beginning balance	Additions	Disposals	Transfers	Net exchange differences	Ending balance
Cost						
Land	$ 32,585	$ -	$ -	$ -	$ -	$ 32,585
Buildings and structures						
Owner-occupied	144,392	-	-	-	564	144,956
Lease	324,063	233	-	4,784	-	329,080
Machinery and equipment	274,300	549	(1,561)	4,961	(1,048)	277,201
Transportation equipment	19,427	-	(163)	3,377	(36)	22,605
Office equipment	12,252	425	(35)	-	11	12,653
Leasehold improvements	11,046	120	-	-	(164)	11,002
Other equipment	123,341	1,111	(2,466)	-	151	122,137
Unfinished construction and equipment under acceptance	66,449	-	-	(13,122)	(968)	52,359
	$ 1,007,855	$ 2,438	($ 4,225)	$ -	($ 1,490)	$ 1,004,578
Accumulated depreciation						
Buildings and structures						
Owner-occupied	($ 60,490)	($ 3,759)	$ -	$ -	($ 124)	($ 64,373)
Lease	(28,537)	(9,198)	-	-	-	(37,735)
Machinery and equipment	(169,982)	(17,636)	1,554	-	890	(185,174)
Transportation equipment	(9,409)	(2,730)	163	-	30	(11,946)
Office equipment	(7,611)	(1,187)	35	-	(27)	(8,790)
Leasehold improvements	(5,827)	(2,660)	-	-	128	(8,359)
Other equipment	(48,966)	(9,527)	2,130	-	(108)	(56,471)
	($ 330,822)	($ 46,697)	$ 3,882	$ -	$ 789	($ 372,848)

Year ended December 31, 2022

	Beginning balance	Acquired from business combinations	Additions	Disposals	Transfers	Net exchange differences	Ending balance
Cost							
Land	$ 32,585	$ -	$ -	$ -	$ -	$ -	$ 32,585
Buildings and structures							
Owner-occupied	141,220	-	-	(84)	-	3,256	144,392
Lease	294,559	-	5,653	-	23,851	-	324,063
Machinery and equipment	262,805	420	4,989	(847)	6,088	845	274,300
Transportation equipment	15,124	-	7,589	(3,315)	-	29	19,427
Office equipment	8,103	455	3,816	(277)	-	155	12,252
Leasehold improvements	8,907	2,008	-	-	-	131	11,046
Other equipment	115,794	-	4,034	(1,411)	4,017	907	123,341
Unfinished construction and equipment under acceptance	105,317	-	4,265	-	(44,088)	955	66,449
	$ 984,414	$ 2,883	$ 30,346	($ 5,934)	($ 10,132)	$ 6,278	$ 1,007,855
Accumulated depreciation							
Buildings and structures							
Owner-occupied	($ 56,136)	$ -	($ 3,730)	$ 53	$ -	($ 677)	($ 60,490)
Lease	(19,993)	-	(8,544)	-	-	-	(28,537)
Machinery and equipment	(150,429)	(40)	(19,337)	461	-	(637)	(169,982)
Transportation equipment	(10,425)	-	(1,599)	2,635	-	(20)	(9,409)
Office equipment	(6,744)	(49)	(954)	259	-	(123)	(7,611)
Leasehold improvements	(2,948)	(348)	(2,494)	-	-	(37)	(5,827)
Other equipment	(40,139)	-	(9,280)	1,205	-	(752)	(48,966)
	($ 286,814)	($ 437)	($ 45,938)	$ 4,613	$ -	($ 2,246)	($ 330,822)

(a) There were no borrowing costs capitalised as part of the Group's property, plant and equipment for the years ended December 31, 2023 and 2022.

(b) Details of the Group's property, plant and equipment pledged to others as collateral are provided in Note 8.

(9) Leasing arrangements - lessee

A. The Group leases various assets including land. Rental contracts are between 2011 and 2029. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes and subleased or re-lent to others for use.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land	$ 71,030	$ 73,869
Buildings	6,236	14,342
	$ 77,266	$ 88,211

	Year ended December 31			
	2023		2022	
	Depreciation charge		Depreciation charge	
Land	$	2,443	$	2,447
Buildings		9,205		9,677
	$	11,648	$	12,124

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets both were $1,246 and $0, respectively.

D. Due to the effects of changes in rent, the Group decreased right-of-use assets and lease liabilities amounting to $0 and $114 for the years ended December 31, 2023 and 2022, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31			
	2023		2022	
Items affecting profit or loss				
Interest expense on lease liabilities	$	1,228	$	1,655
Expense on short-term lease contracts		1,548		1,721

F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were $13,921 and $14,778, respectively.

G. Extension options

(a) Extension options are included in the Group's lease contracts pertaining to land.

(b) In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(10) Leasing arrangements - lessor

A. The Group leases various assets including buildings. Rental contracts are made for periods of 6 month(s) to 5 year(s). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be privately lent, subleased, sold or granted to a third party for use in any different form.

B. For the years ended December 31, 2023 and 2022, the Group recognised rent income in the amounts of $32,404 and $30,193, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2023
January 1, 2024 to December 31, 2024	$ 22,735
January 1, 2025 to December 31, 2025	17,220
January 1, 2026 to December 31, 2026	10,938
	$ 50,893

	December 31, 2022
January 1, 2023 to December 31, 2023	$ 32,281
January 1, 2024 to December 31, 2024	16,134
January 1, 2025 to December 31, 2025	11,726
January 1, 2026 to December 31, 2026	10,938
	$ 71,079

(11) Intangible assets

A. The changes in cost of computer software are as follows:

	Year ended December 31	
	2023	2022
Beginning balance	$ 1,385	$ 2,141
Additions	2,385	1,116
Amortisations	(1,781)	(1,872)
Ending balance	$ 1,989	$ 1,385

B. Amortisation charges on intangible assets are mainly recognised under administrative expenses.

(12) Short-term borrowings

Type of borrowings	December 31, 2023	December 31, 2022
Bank unsecured borrowings	$ 1,060,200	$ 1,118,500
Bank secured borrowings	343,550	297,850
	$ 1,403,750	$ 1,416,350
Interest rate range	0.50%~2.35%	1.46%~2.16%

A. Please refer to Note 6(24) for interest expense of bank borrowings recognised in profit or loss.

B. Please refer to Note 8 for the details of collateral for the abovementioned short-term borrowings.

(13) Short-term notes and bills payable

	December 31, 2023	December 31, 2022
Commercial papers	$ 15,000	$ 70,000
Interest rate range	1.96%	1.40%~1.55%

The abovementioned short-term notes and bills payable were guaranteed and issued by Bills Finance Corporation. The Group did not issue guarantee notes on December 31, 2023 and 2022.

(14) Other payables

Items	December 31, 2023	December 31, 2022
Payable on employees' compensation and directors' and supervisors' remuneration	$ 49,398	$ 49,999
Payable on year-end bonuses	11,320	26,925
Payable on wages and salaries	10,867	10,761
Payable on commission	5,060	3,163
Payable on machinery and equipment	419	1,023
Others	32,581	30,749
	$ 109,645	$ 122,620

(15) Long-term borrowings

Type of borrowings	Repayment term	December 31, 2023	December 31, 2022
Bank secured borrowings	Repayable in installments based on the agreement	$ 195,582	$ 300,779
Bank unsecured borrowings	Repayable in installments based on the agreement	175,684	37,500
		371,266	338,279
Less: Current portion		(151,319)	(142,697)
		$ 219,947	$ 195,582
Expiry date range		2024.09~2028.03	2023.04~2026.12
Interest rate range		2.14%~2.37%	1.77%~2.20%

A. Please refer to Note 6(24) for interest expense of bank borrowings recognised in profit or loss.

B. Please refer to Note 8 for the details of collateral for the abovementioned long-term borrowings.

(16) Pensions

A. Effective July 1, 2005, the Company and its domestic subsidiaries has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B. The Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the subsidiaries

have no further obligations.

C. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were $8,307 and $7,865, respectively.

(17) Share capital

A. Movements in the number of the Company's ordinary shares outstanding (unit: share in thousands) are as follows:

	Year ended December 31	
	2023	2022
At January 1	79,680	83,873
Cash capital reduction	-	(4,193)
At December 31	79,680	79,680

B. As of December 31, 2023, the Company's authorised capital was $900,000, of which $50,000 was reserved for conversion of employee stock options, but has not been applied for issuance so far. The paid-in capital was $796,799 with a par value of NT$10 (in dollars) per share.

C. To adjust the capital structure and increase return on equity, on May 11, 2022, the Board of Directors resolved to decrease capital by 5% and refund cash to shareholders, and this was approved by the shareholders on June 24, 2022. The number of shares eliminated was 4,193 thousand shares, the amount of capital reduced was $41,937. The aforementioned capital reduction came into effect as approved by the Taipei Exchange on September 28, 2022, and the chairman was authorised to set the record date for capital reduction as September 30, 2022 as resolved by the stockholders at their meeting in 2022.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

A. According to the Company's Articles of Incorporation, after paying all taxes in every fiscal year, when distributing earnings, offsetting prior years' operating losses is a priority, and then 10% of the remaining amount shall be set aside as legal reserve, also, special reserve could be set aside or reversed in accordance with operation needs or related laws. The remainder along with the accumulated undistributed earnings shall be distributed as shareholders' dividends at a ratio of 30%, and cash dividends shall account for at least 20% of the total shareholders' dividends. The earnings appropriation ratio is determined and adjusted based on current year's profit, capital budget and capital position and related factors and shall be proposed by the Board of Directors, and when the dividends is distributed by issuing new shares, it shall be resolved by the shareholders.

The Company can distribute dividends and bonuses according to Paragraph 5 of Article 240 of the Company Act or distribute legal reserve and capital surplus, in whole or in part, in accordance with Paragraph 1 of Article 240 of the Company Act in the form of cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors which attended by two-thirds of the total number of directors, and then reported it to the shareholders.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

D. On June 24, 2022, the stockholders resolved that total dividends for the distribution of earnings for the year of 2021 was $125,810 at NT$1.5 (in dollars) per share.

On June 20, 2023, the stockholders resolved that total dividends for the distribution of earnings for the year of 2022 was $119,520 at NT$1.5 (in dollars) per share.

On March 14, 2024, the Board of Directors proposed that total dividends for the distribution of earnings for the year of 2023 was $119,520 at NT$1.5 (in dollars) per share.

(20) Operating revenue

A. Operating revenue of the Group is all revenue from contracts with customers. Revenue from contracts with customers is derived from the transfer of goods and services at a point in time and revenue from construction contracts over time as follows:

	Year ended December 31	
	2023	2022
At a point in time		
Sales revenue	$ 1,132,206	$ 1,321,265
Repair and maintenance service revenue	39,845	32,701
	$ 1,172,051	$ 1,353,966
Over time		
Construction contracts revenue	5,765	32,804
	$ 1,177,816	$ 1,386,770

B. The Group has recognised the following revenue-related contract assets and liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets -			
Construction contracts revenue	$ 6,125	$ 5,227	$ -
Contract liabilities - sales revenue	$ 29,816	$ 28,179	$ 64,862

C. Revenue recognised that was included in the contract liability balance at the beginning of the year:

	Year ended December 31	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Sales revenue	$ 28,168	$ 62,804

(21) Interest income

	Year ended December 31	
	2023	2022
Interest income from bank deposits	$ 38,510	$ 6,744
Fund distribution	4,987	7,684
Bank debentures	3,253	2,321
Other interest income	4,507	480
	$ 51,257	$ 17,229

(22) Other income

	Year ended December 31	
	2023	2022
Rent income	$ 32,404	$ 30,193
Dividend income	11,884	18,987
Miscellaneous income	14,313	15,942
	$ 58,601	$ 65,122

(23) Other gains and losses

	Year ended December 31	
	2023	2022
Gains on disposals of property, plant and equipment	($ 209)	$ 942
Net foreign exchange gains	21,434	74,175
Net gains (losses) on financial assets and liabilities at fair value through profit or loss	31,216	(90,541)
Losses on disposals of investments	-	(2,219)
Miscellaneous disbursements	(33,081)	(4,629)
	$ 19,360	($ 22,272)

(24) Finance costs

	Year ended December 31	
	2023	2022
Interest expense:		
Bank borrowings	$ 37,536	$ 26,421
Lease liabilities	1,228	1,655
Others	17	9
	$ 38,781	$ 28,085

(25) Expenses by nature

	Year ended December 31	
	2023	2022
Employee benefit expense		
Wages and salaries	$ 195,042	$ 210,810
Labour and health insurance fees	17,351	17,395
Pension costs	8,307	7,865
Other personnel expenses	12,505	12,368
	$ 233,205	$ 248,438
Depreciation charge	$ 58,345	$ 58,062
Amortisation charge	$ 1,781	$ 1,872

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 2% to 15% for employees' compensation and shall not be higher than 5% for directors' and supervisors' remuneration. However, when the Company has accumulated losses, earnings should be reserved to cover losses. Employees' compensation can be distributed in the form of shares or cash and the employees include the employees of subsidiaries who meet specific requirements.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at

$25,546 and $26,773, respectively; while directors' and supervisors' remuneration was accrued at $7,451 and $7,809, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2023, the employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the distributable profit of current year as of the end of reporting period at a certain percentage within the range prescribed in the Company's Articles of Incorporation. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were $25,546 and $7,451, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Components of income tax expense:

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 38,029	$ 48,159
Tax on undistributed surplus earnings	9,049	870
Prior year income tax under(over)estimation	593	515
Total current tax	47,671	49,544
Deferred tax:		
Origination and reversal of temporary differences	2,404	(3,458)
Income tax expense	$ 50,075	$ 46,086

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate (Note)	$ 58,836	$ 48,792
Effect from items adjusted and recognised by tax regulation	(18,403)	(4,091)
Tax on undistributed surplus earnings	9,049	870
Prior year income tax under(over)estimation	593	515
Income tax expense	$ 50,075	$ 46,086

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
- Temporary differences:				
Bad debts that exceed the limit for tax purpose	$ 4,112	($ 2,085)	$ -	$ 2,027
Loss on inventory	11,468	2,520	-	13,988
Unused compensated absences	495	(250)	-	245
Unrealised exchange loss	2,322	(1,906)	-	416
Impairment loss	713	-	-	713
	$ 19,110	($ 1,721)	$ -	$ 17,389
- Deferred tax liabilities:				
Unrealised exchange gain	$ -	($ 683)	$ -	($ 683)
Gain on investments	(23,522)	-	-	(23,522)
	($ 23,522)	($ 683)	$ -	($ 24,205)

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
- Temporary differences:				
Bad debts that exceed the limit for tax purpose	$ 4,420	($ 308)	$ -	$ 4,112
Loss on inventory	9,793	1,675	-	11,468
Unused compensated absences	279	216	-	495
Unrealised exchange loss	447	1,875	-	2,322
Impairment loss	713	-	-	713
	$ 15,652	$ 3,458	$ -	$ 19,110
- Deferred tax liabilities:				
Gain on investments	($ 23,522)	$ -	$ -	($ 23,522)

D. The Group has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2023 and 2022, the amounts of temporary difference unrecognised as deferred tax liabilities were $409,545 and $410,328, respectively.

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority. The Company does not have any tax administrative remedy.

(27) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 146,612	79,680	$ 1.84
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 146,612	79,680	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,005	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 146,612	80,685	$ 1.82

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 150,556	82,805	$ 1.82
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 150,556	82,805	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,569	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 150,556	84,374	$ 1.78

(28) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

On August 31, 2023, the Group acquired an additional 10% of shares of its subsidiary—E-Technology Co., Ltd(E-Technology). for a total cash consideration of $11,160. The carrying amount of non-controlling interest in E-Technology was $11,160 at the acquisition date. The effect of changes in interests in E-Technology on the equity attributable to owners of the parent for the years ended December 31, 2023 and 2022 is shown below:

	December 31, 2023	December 31, 2022
Carrying amount of non-controlling interest acquired	$ 11,160	$ -
Consideration paid to non-controlling interest	(11,160)	-
Capital surplus - difference between proceeds on actual in a subsidiary and its carrying amount acquisition of or disposal of equity interest	$ -	$ -

(29) Business combinations

A. On June 8, 2022, the Group acquired 42.25% of the share capital of Taiwan Germagic Biochemical Technology Co., Ltd.(the "Taiwan Germagic Company") for $6,352 and obtained the control over Taiwan Germagic Company.

B. The following table summarises the consideration paid for Taiwan Germagic Company and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

	June 8, 2022
Purchase consideration	
Cash paid	$ 6,352
Fair value of equity interest in Taiwan Germagic Company held before the business combination	3,075
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	5,607
	15,034
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	10,947
Accounts receivable	291
Inventories	1,326
Other current assets	342
Property, plant and equipment	2,446
Other non-current assets	110
Accounts payable	(302)
Other payable	(43)
Other current liabilities	(48)
Guarantee deposits received	(35)
Total identifiable net assets	15,034
Goodwill	$ -

C. The Group recognised a gain of $63, recorded as share of profit (loss) of associates and joint ventures accounted for using equity method, as a result of measuring at fair value its 20% equity interest in Taiwan Germagic Company held before the business combination.

D. The operating revenue included in the consolidated statement of comprehensive income since June 8, 2022 contributed by Taiwan Germagic Company was $2,161. Taiwan Germagic Company also contributed profit before income tax of $935 over the same period. Had Taiwan Germagic Company been consolidated from January 1, 2022, the consolidated statement of comprehensive income would show operating revenue of $1,387,471 and profit before income tax of $153,966.

(30) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Year ended December 31	
	2023	2022
Purchase of property, plant and equipment	$ 2,438	$ 30,346
Add: Opening balance of payable on equipment	1,023	7,673
Less: Ending balance of payable on equipment	(419)	(1,023)
Cash paid during the year	$ 3,042	$ 36,996

B. Operating activities and Investing activities with no cash flow effects:

	Year ended December 31	
	2023	2022
Prepayments transferred to other non-current assets, others	$ 79	$ 32
Other current assets, others, transferred to property, plant and equipment	$ -	$ 1,693
Inventories transferred to property, plant and equipment	$ -	$ 1,467
Prepayments for business facilities transferred to property, plant and equipment	$ -	$ 67
Inventories transferred to other non-current assets, others	$ 1,507	$ 2,052
Other non-current assets, others, transferred to inventories	$ -	$ 65
Prepayments transferred to inventories	$ 94	$ -

(31) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2023	$ 1,416,350	$ 70,000	$ 338,279	$ 65,423	$ 1,890,052
Changes in cash flow from financing activities	(12,600)	(55,000)	32,987	(11,145)	(45,758)
Changes in other non-cash items	-	-	-	1,246	1,246
Impact of changes in foreign exchange rate	-	-	-	(128)	(128)
At December 31, 2023	$ 1,403,750	$ 15,000	$ 371,266	$ 55,396	$ 1,845,412

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2022	$ 1,480,350	$ 90,000	$ 518,476	$ 76,610	$ 2,165,436
Changes in cash flow from financing activities	(64,000)	(20,000)	(180,197)	(11,438)	(275,635)
Changes in other non-cash items	-	-	-	(114)	(114)
Impact of changes in foreign exchange rate	-	-	-	365	365
At December 31, 2022	$ 1,416,350	$ 70,000	$ 338,279	$ 65,423	$ 1,890,052

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Taiwan Germagic Biochemical Technology Co., Ltd.(Taiwan Germagic)	Associates (Note)
Weizhong Co., Ltd.(Weizhong)	Its responsible person is the chairman of the Company
YONG SHENG FA Enterprise Co., Ltd.(YONG SHENG FA)	Its responsible person is the director of the Company
Homenema Technology Incorporation(Homenema)	Substantial related party
CHENG, TSAI-HSIN	Chairman of the Company
LI SHENG WU FU Co., Ltd.(LI SHENG WU FU)	Substantial related party
Innovision Flextech Corporation(Innovision Flextech)	Its chairman is the chairman of the Company

Note: On June 8, 2022, the Group acquired 42.25% of equity interests in this subsidiary which is included in the consolidated financial statements since the Company obtained control over it.

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2023	2022
Sales of goods:		
- Associates	$ -	$ 105
Construction contracts revenue:		
- Substantial related party	$ 5,765	$ 32,804

Goods and services are sold based on the price lists in force and terms agreed by both parties that would be available to third parties, the prices of construction revenue are determined in accordance with mutual agreement, and the payment was collected in accordance with the contract terms by both parties.

B. Purchases

	Year ended December 31	
	2023	2022
Purchases of goods:		
- Associates	$ -	$ 118

Goods and services are purchased from related parties on normal commercial terms and conditions that would be available to third parties.

C. Rent income (shown as 'other income')

	Year ended December 31, 2023			
	Lease term	Leased asset	Collection term	Amount
Other related parties				
Weizhong	2022.07~2023.06 2023.07~2024.06	Buildings	Monthly	$ 1,576
Associates				
Innovision Flextech	2021.12~2023.12	Buildings	Monthly	1,232
				$ 2,808

	Year ended December 31, 2022			
	Lease term	Leased asset	Collection term	Amount
Other related parties				
Weizhong	2021.02~2022.01 2022.02~2022.06 2022.07~2023.06	Buildings	Monthly	$ 1,778
Associates				
Taiwan Germagic	2022.01~2022.12	Buildings	Monthly	407
				$ 2,185

D. Current contract assets

	December 31, 2023	December 31, 2022
Current contract assets		
- Homenema	$ 6,125	$ -
- LI SHENG WU FU	-	5,227
	$ 6,125	$ 5,227

E. Payables to related parties

	December 31, 2023	December 31, 2022
Other payables:		
- Other related parties	$ 1,354	$ 85

Other payables of the Group mainly refer to short-term payments made by related parties on behalf of the Group and borrowing interest.

F. Acquisition of additional interests in subsidiaries:

	Year ended December 31	
	2023	2022
	Consideration	Consideration
Homenema	$ 11,160	$ -

G. Acquisition of investments accounted for using the equity method

		Year ended December 31	
		2023	2022
	Accounts	Consideration	Consideration
YONG SHENG FA	Investments accounted for using the equity method	$ -	$ 6,352

Due to the business requirement, in June 2022, the Group acquired 42.25% of equity interests in Taiwan Germagic from YONG SHENG FA.

H. Endorsements and guarantees provided to related parties:

Certain long-term and short-term borrowings of the Group are guaranteed by personal credit of the chairman, CHENG, TSAI-HSIN.

(3) Key management compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	$ 39,237	$ 43,412
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	$ 39,237	$ 43,412

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Pledged asset	December 31, 2023	December 31, 2022	Purpose
Pledged time deposits and demand deposits (shown as "current financial assets at amortised cost")	$ 463,594	$ 363,034	Short-term borrowings and Customs bond
Pledged listed stocks (shown as "current financial assets at fair value through profit or loss")	29,536	30,894	Credit line of short-term borrowings
Property, plant and equipment	394,101	403,987	Long-term borrowings
	$ 887,231	$ 797,915	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

In 2021, HON HAI PRECISION INDUSTRY CO., LTD. (the "HON HAI") filed civil lawsuits against the Company for discharging the debts, alleged the Company breached the supplier commitment and claimed for the default penalty in the amount of USD 1,200 thousand. On June 30, 2022, the Taiwan Taipei District Court rendered a judgment that the Company should pay USD 1,200 thousand to HON HAI, and the Company filed an appeal on July 25, 2022. On February 22, 2023, the Taiwan High Court reversed the judgement of first instance and denied the appeal of HON HAI. There was no effect or possible loss to the Company arising from the case depending on HONG HAI appeal of the judgement of third instance on March 23, 2023, but the Taiwan High Court ruled denying the appeal on June 7, 2023.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 488	$ 1,806

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure.

As the Group has to maintain the capital required for supporting the expansion and upgrading of plants and equipment, the Group's capital management is to ensure that there are necessary financial resources and operating plans to support the needs of working capital, capital expenditures, research and development expenses, debt repayment and dividend expenditures in the next 12 months.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 628,939	$ 607,909
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	464,315	361,385
Financial assets at amortised cost/ Loans and receivables		
Cash and cash equivalents	659,580	778,672
Financial assets at amortised cost	794,818	628,668
Notes receivable	5,363	17,686
Accounts receivable	368,841	472,442
Other receivables	14,875	10,227
Guarantee deposits paid	22,563	23,029
	$ 2,959,294	$ 2,900,018

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ 12,762	$ 3,917
Financial liabilities at amortised cost		
Short-term borrowings	1,403,750	1,416,350
Short-term notes and bills payable	15,000	70,000
Accounts payable	105,207	123,218
Other payables	109,645	122,620
Long-term borrowings (including current portion)	371,266	338,279
Lease liability	55,396	65,423
	$ 2,073,026	$ 2,139,807

B. Financial risk management policies

In order to effectively control and decrease financial risk, the Group's management is dedicated to identifying, evaluating and hedging market uncertainties to minimise potential adverse effects from market fluctuations on the Group's financial performance. The risks include market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

For supervising the management, the Board of Directors has set related regulations to authorise the management to perform daily operations within a range of acceptable risk and requires its direct internal audit to inspect the assessment report of the management regularly. The internal audit shall report to the Board of Directors immediately if there is any unusual situation and take necessary corresponding protective measures.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group is exposed to foreign exchange risk as the operating activities and net investments in foreign operations are mainly transacted using foreign currencies. In order to avoid decreases in value of assets denominated in foreign currencies and future cash flows fluctuation resulted from changes in foreign exchange rates, the Group hedges foreign exchange risk through derivative financial instruments (including exchange rate swaps). The use of such derivative financial instruments can assists the Group in decreasing but not completely eliminating the effects of changes in foreign exchange rates.

ii. As the Company's purpose to hold certain investments in foreign operations is for strategic investments, the Group does not hedge those investments.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB, USD and SGD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 19,780	30.71	$ 607,444
USD:RMB	4,150	7.09	127,447
USD:SGD	8,744	1.32	268,528
JPY:NTD	187,519	0.22	41,254
RMB:USD	5,993	0.14	25,950
EUR:NTD	670	34.01	22,787
Non-monetary items			
USD:NTD	61,465	30.71	1,887,588
SGD:NTD	17,336	23.31	404,107
Financial liabilities			
Monetary items			
USD:NTD	22,494	30.71	690,791

	December 31, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 19,389	30.70	$ 595,242
USD:RMB	3,883	6.96	119,208
USD:SGD	9,040	1.34	277,528
JPY:NTD	170,754	0.23	39,273
RMB:USD	5,225	0.14	23,042
EUR:NTD	416	32.74	13,620
Non-monetary items			
USD:NTD	61,860	30.70	1,899,110
SGD:NTD	15,017	22.89	343,749
Financial liabilities			
Monetary items			
USD:NTD	20,539	30.70	630,547

iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022, amounted to $21,434 and $74,175, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

		Year ended December 31, 2023		
		Sensitivity analysis		
	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	$ 607,444	1%	$ 6,074	$ -
USD:RMB	127,447	1%	1,274	-
USD:SGD	268,528	2%	5,371	-
JPY:NTD	41,254	6%	2,475	-
RMB:USD	25,950	1%	260	-
EUR:NTD	22,787	5%	1,139	-
Non-monetary items				
USD:NTD	1,887,588	1%	-	18,876
SGD:NTD	404,107	2%	-	8,082
Financial liabilities				
Monetary items				
USD:NTD	690,791	1%	6,908	-

		Year ended December 31, 2022		
		Sensitivity analysis		
	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	$ 595,242	11%	$ 65,477	$ -
USD:RMB	119,208	9%	10,729	-
USD:SGD	277,528	1%	2,775	-
JPY:NTD	39,273	3%	1,178	-
RMB:USD	23,042	9%	2,074	-
EUR:NTD	13,620	5%	681	-
Non-monetary items				
USD:NTD	1,899,110	11%	-	208,902
SGD:NTD	343,749	12%	-	41,250
Financial liabilities				
Monetary items				
USD:NTD	630,547	11%	69,360	-

Cash flow and fair value interest rate risk

i. The Group's interest rate risk arises from short-term borrowings and long-term borrowings (including current portion). Borrowings with variable rates expose the Group to cash flow interest rate risk and part of the risk is offset by cash and cash equivalents held at variable rates. Borrowings with fixed rates expose the Group to fair value interest rate risk. The Group's borrowings are mainly at variable rate. During 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars.

ii. On December 31, 2023 and 2022, if the borrowing interest rate had increased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have decreased by $14,200 and $14,037, respectively. The main factor is that increases in interest expense result in floating-rate borrowings.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, profit before tax for the years ended December 31, 2023 and 2022 would have increased by $5,612 and $4,994, respectively, as a result of losses/gains on equity securities classified as at fair value through profit or loss. Other components of equity would have increased by $4,643 and $3,614, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the notes receivable and accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.

ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. In accordance with the credit risk management, when the contract payments are past due up to 240 days, the payments are still within normal collection period. However, the default occurs when the contract payments are past due over 241 days.

v. The Group classifies customers' notes receivable and accounts receivable in accordance with credit terms. The Group applies the modified approach based on the loss rate methodology to estimate the expected credit loss.

vi. The following indicators are used to determine whether the credit impairment of financial instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

viii. The Group adjusted and calculated the loss rate based on the historical credit loss experience of notes receivable and accounts receivable and considering the forecastability to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the provision matrix is as follows:

	Not past due	Up to 90 days past due	91~180 days past due	181~210 days past due	211~240 days past due	Over 241 days past due
At December 31, 2023	0.58%	0.58%	0.59%	50.00%	75.00%	100.00%
At December 31, 2022	0.45%	0.45%	0.46%	50.00%	75.00%	100.00%

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for notes receivable and accounts receivable are as follows:

	Year ended December 31, 2023	
	Notes receivable	Accounts receivable
At January 1	$ 100	$ 25,222
Provision for impairment	-	2,537
Reversal of impairment loss	-	(13,607)
At December 31	$ 100	$ 14,152

	Year ended December 31, 2022	
	Notes receivable	Accounts receivable
At January 1	$ 100	$ 28,263
Provision for impairment	-	130
Reversal of impairment loss	-	(3,253)
Write-offs	-	(130)
Effect on foreign exchange	-	212
At December 31	$ 100	$ 25,222

(c) Liquidity risk

The Group's objectives when managing liquidity risk are to maintain the cash and bank deposits required for operations, highly liquid marketable securities and sufficient bank financing facilities to ensure the Group has sufficient financial flexibility.

The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	December 31, 2023			
	Less than a year	Between 1 and 2 year(s)	Between 2 and 3 years	Over 3 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 1,413,995	$ -	$ -	$ -
Short-term notes and bills payable	15,000	-	-	-
Accounts payable	105,207	-	-	-
Other payables	109,645	-	-	-
Lease liability	7,566	2,293	2,293	53,365
Long-term borrowings	157,903	125,284	73,605	26,407
Derivative financial liabilities:				
Exchange rate swaps	12,762	-	-	-

	December 31, 2022			
	Less than a year	Between 1 and 2 year(s)	Between 2 and 3 years	Over 3 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 1,420,193	$ -	$ -	$ -
Short-term notes and bills payable	70,000	-	-	-
Accounts payable	123,218	-	-	-
Other payables	122,620	-	-	-
Lease liability	10,227	8,547	2,293	55,658
Long-term borrowings	148,009	94,922	53,517	52,434
Derivative financial liabilities:				
Exchange rate swaps	3,917	-	-	-

The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, emerging stocks and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in bank debentures and derivative financial instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of the Group's cash and cash equivalents, financial assets at amortised cost, notes and accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, accounts payable, other payables, lease liabilities and long-term borrowings are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 444,234	$ 116,981	$ -	$ 561,215
Financialc products	-	67,724	-	67,724
Bank debentures	-	-	-	-
Exchange rate swaps	-	-	-	-
Financial assets at fair value through other comprehensive income				
Equity securities	58,188	-	406,127	464,315
	$ 502,422	$ 184,705	$ 406,127	$ 1,093,254
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Exchange rate swaps	$ -	$ 12,762	$ -	$ 12,762

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 383,370	$ 116,042	$ -	$ 499,412
Financialc products	-	32,137	-	32,137
Bank debentures	-	76,064	-	76,064
Exchange rate swaps	-	296	-	296
Financial assets at fair value through other comprehensive income				
Equity securities	30,505	-	330,880	361,385
	$ 413,875	$ 224,539	$ 330,880	$ 969,294
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Exchange rate swaps	$ -	$ 3,917	$ -	$ 3,917

D. The methods and assumptions the Group used to measure fair value are as follows:

(a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed and emerging shares	Beneficiary certificates
Market quoted price	Closing price	Net asset value

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

(c) When assessing non-standard and low-complexity financial instruments, for example, exchange rate swaps, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models.

(e) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	2023	2022
	Non-derivative equity instrument	Non-derivative equity instrument
At January 1	$ 330,880	$ 371,724
Losses and gains recognised in other comprehensive income (Note)	53,141	(37,005)
Acquired in the year	41,004	65,938
Sold in the year	(641)	
Proceeds from capital reduction	(18,480)	(89,753)
Effect on foreign exchange	223	19,976
At December 31	$ 406,127	$ 330,880

Note: Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income.

G. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

H. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently reviewing valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 406,127	Net asset value	Not applicable	N/A	Not applicable

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 330,880	Net asset value	Not applicable	N/A	Not applicable

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 8.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. Segment Information

(1) General information

The Group considers the business and makes strategic decisions from a product type perspective, thus the management determined the reportable operating segments based on the model.

The Group has three reportable operating segments: SMD segment, equipment segment and other segments, and the Group derives their revenue from following product types:

A. SMD segment: The segment is primarily engaged in the processing and sales of passive on-chip component packaging materials; the manufacture, processing and sales of active component plastic packaging materials; and electronic components and spare parts in relation to SMD industry.

B. Equipment segment: The segment is primarily engaged in the agent for sales, repair and maintenance service of detection equipment, optical equipment and printing equipment; research and development, manufacture and sales of laser application equipment; repair and maintenance, assembling and sales of front-end equipment of semiconductor industry; and sales of spare parts and components in relation to the aforementioned equipment.

C. Other segments: The segment is primarily engaged in the assembly and test foundry service of passive on-chip component; sales of spare parts and energy products required by other electronic industry (excluded from the aforementioned industry).

(2) Measurement of segment information

The performance of operating segments is evaluated based on a measure of operating profit (loss). This measurement basis excludes the effects of non-recurring expenditure from the operating segments. Additionally, interests income and expenditures are not attributed to each operating segment. The Group did not provide segment assets and segment liabilities to the chief operating decision-maker.

	Year ended December 31, 2023				
	SMD segment	Equipment segment	All other segments	Write-off and adjustment	Total
Revenue from external customers	$ 451,326	$ 714,716	$ 11,774	$ -	$ 1,177,816
Inter-segment revenue	54,986	44,416	-	(99,402)	-
Total segment revenue	$ 506,312	$ 759,132	$ 11,774	($ 99,402)	$ 1,177,816
Segment income (loss)	$ 14,528	$ 104,820	($ 14,873)	$ -	$ 104,475
Non-operating income and expenses					90,581
Profit from continuing operations before tax					$ 195,056

	Year ended December 31, 2022				
	SMD segment	Equipment segment	All other segments	Write-off and adjustment	Total
Revenue from external customers	$ 549,556	$ 793,226	$ 43,988	$ -	$ 1,386,770
Inter-segment revenue	85,398	92,968	4,915	(183,281)	-
Total segment revenue	$ 634,954	$ 886,194	$ 48,903	($ 183,281)	$ 1,386,770
Segment income (loss)	$ 34,006	$ 145,872	($ 15,280)	$ -	$ 164,598
Non-operating income and expenses					32,026
Profit from continuing operations before tax					$ 196,624

(3) Reconciliation for segment income (loss)

The aforementioned total amount of related information in item (2) reportable operating segments and disclosures of other significant items are measured in a manner consistent with the income/(loss) before tax and other corresponding items of the financial statements.

(4) Information on products and services

Revenue from external customers is mainly from furniture, equipment and passive component packaging materials. Details of revenue are as follows:

	Year ended December 31	
	2023	2022
SMD packaging materials	$ 451,326	$ 549,556
Laser and SMT equipments	674,871	760,525
Repairs and maintenance revenue	39,845	32,701
Others	11,774	43,988
	$ 1,177,816	$ 1,386,770

(5) Geographical information

	Year ended December 31			
	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 364,578	$ 736,338	$ 579,979	$ 794,165
China	297,299	-	308,136	-
Others	515,939	-	498,655	-
	$ 1,177,816	$ 736,338	$ 1,386,770	$ 794,165

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31	
	2023	2022
	Revenue	Revenue
CKO001	$ 289,050	$ 229,598
CVS001	193,202	186,696
	$ 482,252	$ 416,294

LASER TEK TAIWAN CO., LTD. And Subsidiaries

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 2)	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	LASER TEK TAIWAN CO., LTD.	Prolaser (Shanghai) Trading CO., Ltd.	Other receivables due from related parties	Yes	$ 40,000	$ -	$ -	1.19	1	$ 4,173	Business transaction	$ -	-	$ -	$ 4,173	$ 360,078	Notes 4 and 5
0	LASER TEK TAIWAN CO., LTD.	Weike Semiconductor Co., Ltd.	Other receivables due from related parties	Yes	60,000	-	-	1.15	2	-	Working capital	-	-	-	180,039	360,078	Notes 4 and 5
1	LASER TEK INTERNATIONAL CO., LTD.	Laser Tek (Kun Shan) Co., LTD.	Other receivables due from related parties	Yes	21,645	21,645	21,645	1.15	2	-	Working capital	-	-	-	1,761,422	1,761,422	Notes 6, 7 and 11
1	LASER TEK INTERNATIONAL CO., LTD.	LASER TEK TAIWAN CO., LTD.	Other receivables due from related parties	Yes	399,230	399,230	399,230	1.15~2.16	2	-	Working capital	-	-	-	1,761,422	1,761,422	Notes 6, 7 and 11
1	LASER TEK INTERNATIONAL CO., LTD.	Weike Semiconductor Co., Ltd.	Other receivables due from related parties	Yes	101,343	98,272	98,272	2.16	2	-	Working capital	-	-	-	117,428	234,856	Notes 8, 9 and 11
2	SMD INTERNATIONAL CO., LTD.	LASER TEK TAIWAN CO., LTD.	Other receivables due from related parties	Yes	147,408	147,408	147,408	1.15-2.16	2	-	Working capital	-	-	-	967,357	967,357	Notes 6, 7 and 11
2	SMD INTERNATIONAL CO., LTD.	Weike Semiconductor Co., Ltd.	Other receivables due from related parties	Yes	58,349	39,923	39,923	2.16	2	-	Working capital	-	-	-	64,490	128,981	Notes 8, 9 and 11
3	LASER TEK (SUZHOU) CO., LTD.	Prolaser (Shanghai) Trading CO., Ltd.	Other receivables due from related parties	Yes	34,632	34,632	34,632	1.15	2	-	Working capital	-	-	-	352,925	352,925	Notes 6, 7 and 10

LASER TEK TAIWAN CO., LTD. And Subsidiaries

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 2)	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
4	LASERTEK (SINGAPORE) PTE. LTD.	LASER TEK INTERNATIONAL CO., LTD.	Other receivables due from related parties	Yes	$ 54,759	$ -	$ -	1.15	1	$ 9,262	Business transaction	$ -	-	$ -	$ 9,262	$ 608,635	Notes 6, 7 and 12
4	LASERTEK (SINGAPORE) PTE. LTD.	LASER TEK INTERNATIONAL CO., LTD.	Other receivables due from related parties	Yes	44,576	-	-	1.15	1	39,575	Business transaction	-	-	-	39,575	608,635	Notes 6, 7 and 12
4	LASERTEK (SINGAPORE) PTE. LTD.	LASER TEK TAIWAN CO., LTD.	Other receivables due from related parties	Yes	110,268	110,268	110,268	1.15~2.16	2	-	Working capital	-	-	-	608,635	608,635	Notes 6, 7 and 12

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.
Note 2: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2023.
Note 3: The column of 'Nature of loan' shall fill in (1) for 'Business transaction' or (2) for 'Short-term financing'.
Note 4: In accordance with the creditor's "Procedures for Provision of Loans", limit on loans granted to a single party with business transaction is the amount of business transactions occurred between the both parties in the current year and limit on loans granted to a single party with short-term financing is 10% of the Company's net assets.
Note 5: In accordance with the creditor's "Procedures for Provision of Loans", ceiling on total loans granted is 20% of the Company's net assets.
Note 6: In accordance with the creditor's "Procedures for Provision of Loans", limit on loans granted to a single party with business transaction is the amount of business transactions occurred between the both parties in the current year and limit on loans granted to a single party with short-term financing is 150% of the creditor's net assets.
Note 7: In accordance with the creditor's "Procedures for Provision of Loans", ceiling on total loans granted is 150% of the creditor's net assets.
Note 8: In accordance with the creditor's "Procedures for Provision of Loans", limit on loans granted to a single party with business transaction is the amount of business transactions occurred between the both parties in the current year and limit on loans granted to a single party with short-term financing is 10% of the creditor's net assets.
Note 9: In accordance with the creditor's "Procedures for Provision of Loans", ceiling on total loans granted is 20% of the creditor's net assets.
Note 10: The amounts were translated to NTD at 4.33 of CNH exchange rate on December 31, 2023.
Note 11: The amounts were translated to NTD at 30.71 of USD exchange rate on December 31, 2023.
Note 12: The amounts were translated to NTD at 23.31 of SGD exchange rate on December 31, 2023.

LASER TEK TAIWAN CO., LTD. And Subsidiaries

Provision of endorsements and guarantees to others

Year eneded December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2023 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
0	LASER TEK TAIWAN CO., LTD.	Weike Semiconductor Co., Ltd.	4	$ 360,078	$ 100,000	$ 100,000	$ 100,000	$ -	5.55	$ 900,195	Y	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Ceiling on total amount of endorsements/guarantees provided by the Company and subsidiaries is 50% of the current net assets and limit on endorsements/guarantees provided for a single party is 20% of the current net assets.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: The amount was approved by the Board of Directors.

Note 6: The actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

LASER TEK TAIWAN CO., LTD. And Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares	Book value	Ownership (%) (Note 1)	Fair value	
LASER TEK TAIWAN CO., LTD.	AT&T INC. -bonds	N/A	Financial assets at fair value through profit or loss - current	2,000	$ 4,650	-	$ 4,650	
	Nippon Life Insurance Co. -bonds	N/A	Financial assets at fair value through profit or loss - current	2,000	6,116	-	6,116	
	Altria Group, Inc. -bonds denominated in USD	N/A	Financial assets at fair value through profit or loss - current	6,800	15,361	-	15,361	
	WT MICROELECTRONICS CO., LTD. - Preferred Shares A	N/A	Financial assets at fair value through profit or loss - current	647,000	29,536	-	29,536	Note 2
	O-TA PRECISION INDUSTRY CO., LTD. - stocks	N/A	Financial assets at fair value through profit or loss - current	89,000	8,028	-	8,028	
	INNOVISION FLEXTECH CORPORATION -stocks	N/A	Financial assets at fair value through profit or loss - current	1,638,936	16,225	6.22%	16,225	
	Nomura Global Financial Bond Fund Acc USD	N/A	Financial assets at fair value through profit or loss - current	70,628	20,054	-	20,054	
	Yuanta bank Global Leaders Balanced Fund	N/A	Financial assets at fair value through profit or loss - current	30,000	10,799	-	10,799	
	Yuanta finance Global Leaders Balanced Fund	N/A	Financial assets at fair value through profit or loss - current	100,000	35,995	-	35,995	
	Yuanta 10 plus Year Investment Grade Corporate Bond Fund	N/A	Financial assets at fair value through profit or loss - current	40,359	12,916	-	12,916	
	Yuanta 2-10 Year Investment Grade Corporate Bond Fund	N/A	Financial assets at fair value through profit or loss - current	20,000	6,380	-	6,380	
	Yuanta finance Japan Leaders Equity Fund	N/A	Financial assets at fair value through profit or loss - current	3,000,000	30,000	-	30,000	
	Yuanta bank Japan Leaders Equity Fund	N/A	Financial assets at fair value through profit or loss - current	3,000,000	30,000	-	30,000	
	HOMENEMA TECHNOLOGY INCORPORATION -stocks	N/A	Non-current financial assets at fair value through profit or loss	3,000	145	-	145	
	Hua VII Venture Capital Corporation -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	15,789	3,401	-	3,401	
	H&J Management Corporation -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	45,000	1,415	9%	1,415	
	ST&T ELECTRIC CORP. -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	2,000,000	-	8.73%	-	
	Chun Mao Innovation Investment Corporation - stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	5,000,000	48,550	16.67%	48,550	
	Hua Chun Venture Capital Corporation -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	1,620,000	13,608	5.48%	13,608	

LASER TEK TAIWAN CO., LTD. And Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares	Book value	Ownership (%) (Note 1)	Fair value	
LASER TEK TAIWAN CO., LTD.	Neolink Capital Corp. -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	997,500	$ 10,254	-	$ 10,254	
	Cerulean Asset Management Co., Ltd.	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	-	31,621	14.11%	31,653	
	Hopeson Printing CO., LTD.	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	5,000,000	60,550	10.53%	60,550	
	Chun Sheng Innovation Investment Corporation -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	2,500,000	25,625	16.67%	25,625	
	HOMENEMA TECHNOLOGY INCORPORATION -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	1,201,000	58,188	-	58,188	
Weike Semiconductor Co., Ltd.	O-TA PRECISION INDUSTRY CO., LTD. -stocks	N/A	Financial assets at fair value through profit or loss - current	553,000	49,881	-	49,881	
	INNOVISION FLEXTECH CORPORATION -stocks	N/A	Financial assets at fair value through profit or loss - current	1,891,000	18,721	7.18%	18,721	
	HOMENEMA TECHNOLOGY INCORPORATION -stocks	N/A	Non-current financial assets at fair value through profit or loss	1,088,000	52,714	-	52,714	
SMD INTERNATIONAL CO., LTD.	Geminis Investors Limited short term notes -funds	N/A	Financial assets at fair value through profit or loss - current	2,000,000	61,420	-	61,420	
	Evenstar Sub-Fund 1 Segregated Portfolio, Class D Restricted -funds	N/A	Non-current financial assets at fair value through profit or loss	1,041	116,981	-	116,981	
	Accuvest Capital I Limited -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	2,000,000	54,295	12%	54,295	
	Accuvest Capital II Limited -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	2,000,000	71,585	19.51%	71,585	
	Accuvest Management Incorporated -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	9,000	329	9%	329	

LASER TEK TAIWAN CO., LTD. And Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares	Book value	Ownership (%) (Note 1)	Fair value	
LASER TEK INTERNATIONAL CO., LTD.	LeadSun New Star Corp.	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	200,000	$ 859	6.25%	$ 859	
	LEADSUN INVESTMENT & ASSET MANAGEMENT LIMITED -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	984,375	10,883	9.38%	10,883	
	LeadSun Winion Limited -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	1,000,000	41,459	18.18%	41,459	
	LeadSun Kcis Limited -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	1,000,000	31,631	14.29%	31,631	
	Emirates NBD PJSC. -bonds denominated in USD	N/A	Financial assets at fair value through profit or loss - current	21,000	41,597	-	41,597	
	Geminis Investors Limited short term notes - funds	N/A	Financial assets at fair value through profit or loss - current	2,000,000	61,420	-	61,420	

Note 1: The percentage of ownership less than 5% was not disclosed.

Note 2: Details of the Company's financial assets pledged to others as collateral are provided in Note 8.

LASER TEK TAIWAN CO., LTD. And Subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
SMD INTERNATIONAL CO., LTD.	LASER TEK TAIWAN CO., LTD.	Affiliate	Other receivable $147,987		$ -	-	$ -	$ -
LASER TEK INTERNATIONAL CO., LTD.	LASER TEK TAIWAN CO., LTD.	Affiliate	Accounts receivable 1,663	8.11	-	-	161	-
			Other receivable 400,169		-	-	19	-
Laser Tek Singapore Pte Ltd	LASER TEK TAIWAN CO., LTD.	Affiliate	Other receivable 108,332		-	-	530	-

Note 1: Fill in separately the balances of accounts receivable–related parties, notes receivable–related parties, other receivables–related parties.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

LASER TEK TAIWAN CO., LTD. And Subsidiaries

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

Inter-company transactions reaching NT$50 million is provided below:

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	LASER TEK TAIWAN CO., LTD.	Weike Semiconductor Co., Ltd.	1	Endorsements and guarantees	$ 100,000	In accordance with the "Procedures for Provision of Endorsements and Guarantees"	2%
0	LASER TEK TAIWAN CO., LTD.	LASER TEK INTERNATIONAL CO., LTD.	1	Other payables	400,169	In accordance with mutual agreement	10%
0	LASER TEK TAIWAN CO., LTD.	SMD INTERNATIONAL CO., LTD.	1	Other payables	147,987	In accordance with mutual agreement	4%
0	LASER TEK TAIWAN CO., LTD.	LASER TEK (SINGAPORE) PTE. LTD.	1	Other payables	108,332	In accordance with mutual agreement	3%
1	Weike Semiconductor Co., Ltd.	LASER TEK INTERNATIONAL CO., LTD.	3	Other payables	98,272	In accordance with mutual agreement	2%

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

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

LASER TEK TAIWAN CO., LTD. And Subsidiaries

Information on investees

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
LASER TEK TAIWAN CO., LTD.	SMD PACKAGING L.L.C.	Anguilla	Holding company	$ 68,453	$ 68,453	-	100	$ 1,887,588	($ 54,354)	($ 57,737)	Note 2
	LASER TEK (SINGAPORE) PTE., LTD.	Singapore	Electronic products 1. FDR information retrieval system 2. LCD TEST 3. Electronic test fixture	80,458	80,458	3,820,000	100	404,107	55,432	53,823	
	E-technology Co., Ltd.	Taiwan	Lighting equipments construction, wholesale of electrical appliances and electronic materials and international trade	137,116	125,956	10,000,000	100	42,025	5,385	4,884	Note 6
	Weike Semiconductor Co., Ltd.	Taiwan	Retail sale and wholesale of electrical appliances and electronic materials and maintenance of semiconductor equipment and parts	55,589	55,589	7,600,000	100	93,665	50,356	50,346	
	LIOU BEI FA CO., LTD.	Taiwan	Solar Thermal Energy Equipment Installation Engineering and Energy Technical Services	20,000	20,000	2,000,000	100	19,463	(208)	(208)	
	Taiwan Germagic Biochemical Technology Co., Ltd.	Taiwan	Pollution controlling equipment manufacturing	9,352	9,352	933,750	62.25	5,689	(5,653)	(3,519)	
	Best Power Service Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry; Energy Technical Services	7,997	-	552,000	20.00	7,916	(1,614)	(81)	Note 5
Taiwan Germagic Biochemical Technology Co., Ltd.	Best Power Service Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry; Energy Technical Services	1,999	-	138,000	5.00	1,979	(1,614)	-	Notes 1 and 5
SMD PACKAGING L.L.C.	SMD INTERNATIONAL CO., LTD.	British Virgin Islands	Slitting and sales of chip resistor packaging carrier tape and top and bottom tape for antistatic formula	60,499	60,499	1,970,000	100	644,910	10,192	-	Notes 1 and 3
	LASER TEK INTERNATIONAL CO., LTD.	Mauritius	Slitting and sales of chip resistor packaging carrier tape and top and bottom tape for antistatic formula	58,533	58,533	1,905,734	100	1,174,289	(59,591)	-	Notes 1 and 4

LASER TEK TAIWAN CO., LTD. And Subsidiaries

Information on investees

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
LASER TEK INTERNATIONAL CO., LTD.	Media Mlife International Co., Ltd.	Samoa	Holding company	$ 5,129	$ 5,129	-	19.95	$ -	$ -	$ -	Notes 1, 2, 3 and 6

Note 1: Those amounts have been included in the profit (loss) of the Company's investee accounted for using the equity method and recognised as investment income (loss).
Note 2: Not applicable as stocks have not yet been issued.
Note 3: Investee accounted for using the equity method.
Note 4: The initial investment amount is translated from the investment amount (USD 1,970 thousand) at 30.71 of exchange rate on December 31, 2023.
Note 5: The initial investment amount is translated from the investment amount (USD 1,970 thousand) at 30.71 of exchange rate on December 31, 2023.
Note 6: The initial investment amount is translated from the investment amount (USD 167 thousand) at 30.71 of exchange rate on December 31, 2023.
Note 7: On August 31, 2023, the Company acquired 10% of equity interests in E-technology Co., Ltd..
Note 8: On January 3, 2023, Best Power Service Co., Ltd. increased cash capital, and the Group acquired its all shares.

LASER TEK TAIWAN CO., LTD. And Subsidiaries

Information on investments in Mainland China

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method（Note 1）	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Prolaser (Shanghai) Trading CO., Ltd.	International trade and entrepot trade as well as trade and trade agency among enterprises in customs bonded area	$ 30,710	2	$ 6,540	$ -	$ -	$ 6,540	($ 6,260)	100	($ 6,260)	($ 4,016)	$ -	Notes 2, 5 and 10
Laser tek (Xiamen) Electronic Material Corp.	Production and sales of carrier tape and top and bottom tape	11,258	2	7,894	-	-	7,894	-	100	-	-	-	Notes 2, 6 and 10
Laser Tek (Kun Shan) Co., LTD.	Processing and sales of packaging materials for electronic components	76,529	2	39,819	-	-	39,819	(10,626)	100	(10,763)	1,701	-	Notes 2 and 7
LASER TEK (SUZHOU) CO., LTD.	Processing and sales of packaging materials for electronic components	340,881	3	-	-	-	-	1,449	100	1,449	235,284	-	Notes 2, 8 and 11
Kunshan Weizhong Culture Creative Co., Ltd.	Planning cultural and artistic activities, sales of chemical raw materials and foods as well as import and export of goods and technologies	4,330	3	-	-	-	-	11	80	9	3,842	-	Notes 2, 9 and 12

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note3)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
LASER TEK TAIWAN CO., LTD.	$ 165,098	$ 571,974	$ 1,082,954

Note 1: Investment methods are classified into the following three categories:

1. Directly invest in a company in Mainland China.
2. Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
3. Others.

Note 2: The basis for investment income (loss) recognition is the financial statements that are audited by R.O.C. parent company's CPA.

Note 3: Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (USD 18,625 thousand) is translated at 30.71 of exchange rate on December 31, 2023.

Note 4: Ceiling on investments in Mainland China is 60% of the higher of the net assets or the consolidated net assets as imposed by the Investment Commission of MOEA.

Note 5: The paid-in capital is translated from the investment amount (USD 1,000 thousand) at 30.71 of exchange rate on December 31, 2023.

Note 6: The paid-in capital is translated from the investment amount (RMB 2,600 thousand) at 4.33 of exchange rate on December 31, 2023.

Note 7: The paid-in capital is translated from the investment amount (USD 2,492 thousand) at 30.71 of exchange rate on December 31, 2023.

Note 8: The paid-in capital is translated from the investment amount (USD 11,100 thousand) at 30.71 of exchange rate on December 31, 2023.

Note 9: The paid-in capital is translated from the investment amount (RMB 1,000 thousand) at 4.33 of exchange rate on December 31, 2023.

Note 10: The investee is reinvested through SMD PACKAGING L.L.C.

Note 11: The investee is reinvested through the earnings of the Company's investee, LASER TEK INTERNATIONAL CO., LTD. The Company did not actually remit funds.

Note 12: The investee is reinvested through the funds of the Company's investee in Mainland China, LASER TEK (SUZHOU) CO., LTD. The Company did not actually remit funds.

LASER TEK TAIWAN CO., LTD. And Subsidiaries

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Year ended December 31, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

	Sales (Notes 1 and 2)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2023	%	Balance at December 31, 2023	Purpose	Maximum balance during the year ended December 31, 2023	Balance at December 31, 2023	Interest rate	Interest during the year ended December 31, 2023	Others
Prolaser (Shanghai) Trading CO., Ltd.	$ 4,173	-	$ -	-	$ -	-	$ -	-	Note 3	Note 3	Note 3	Note 3	

Note 1: The prices and collection terms of the abovementioned sales were determined in accordance with mutual agreement.
Note 2: There was no significant unrealised gains or losses arising from the abovementioned transactions at December 31, 2023.
Note 3: Details of financing are provided in Note 13(1) table 1.

LASER TEK TAIWAN CO., LTD. And Subsidiaries

Major shareholders information

December 31, 2023

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
PU LEI SHIH Investment CO., Ltd.	6,186,326	7.76%

(1) The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.
The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference of calculation basis.

(2) If the aforementioned data contains shares which were kept in the trust by the shareholders, the data was disclosed as a separate account of the client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio was greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio included the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information on reported share equity of insiders, please refer to the Market Observation Post System.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To LASER TEK TAIWAN CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of LASER TEK TAIWAN CO., LTD. (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the

Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Accuracy of the timing of revenue recognition from export sales

Description

The Company has two primary types of sales, specifically, domestic sales and export sales. Export sales have different transaction terms depending on the sales orders, contracts or other commitments of each sales customer. Sales are recognised when control of the goods has transferred. The revenue recognition shall be identified individually, which may potentially result in inappropriate timing of revenue recognition around the end of the reporting period. Therefore, we identify the accuracy of the timing of revenue recognition from export sales as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in the Company and its certain subsidiaries (shown as investments accounted for using the equity method) on the above key audit matter:

1. Obtained an understanding on, assessed and tested whether the Company's internal control procedures of revenue recognition were reasonable and performed effectively.
2. Obtained the transaction details of revenue transactions from export sales during a certain period around the end of the reporting period to perform cut-off tests, including checking related documents such as customer orders, delivery orders and export declarations, to ascertain revenue had been recorded in the appropriate period.

Evaluation of inventories

Description

Please refer to Note 4(13) of the consolidated financial statements for accounting policies on evaluation of inventories, Note 5(2) for accounting estimates and assumption uncertainty of evaluation of inventories and Note 6(5) for details of inventories.

The Company manufactures and sells surface mount devices (SMD) electronic materials, surface mount technology (SMT) related equipment and laser equipment. As the life cycles of electronic material products are relatively short, the market is highly competitive and the rapid obsolescence of equipment products varies, there is a higher risk of incurring inventory valuation loss or having obsolete inventories. In addition, as the items of the Company's inventories are numerous and the estimated amounts of net realisable value involve subjective judgement, there is a high degree of estimation uncertainty. Therefore, we consider the evaluation of inventories significant to the financial statements and identified it as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in the Company and its certain subsidiaries (shown as investments accounted for using the equity method) on the above key audit matter:

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1. Assessed the reasonableness of provision policies and procedures used for allowance for inventory valuation loss, including the reasonableness of the inventory clearance and how the management identified obsolete inventory items, based on our understanding of the operations and industry characteristics of the Company.
2. Obtained an understanding of inventory management processes and assessed the inventory position and the effectiveness of management's classification and control over obsolete inventory by participating in the observation of annual physical inventory count.
3. Sampled and tested the accuracy of inventory aging calculation, ascertained the reasonableness of identifying slow-moving and obsolete inventories and verified the reasonableness of assessment basis adopted for net realisable value to assess the adequacy of provision on allowance for inventory valuation loss and the consistency of policies.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Liao, A-Shen　　Wang, Kuo-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

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LASER TEK TAIWAN CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 207,754	5	$ 238,104	6
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	226,060	5	189,229	4
1136	Current financial assets at amortised cost	6(1) and 8	425,148	9	267,451	6
1150	Notes receivable, net	6(4)	2,606	-	3,369	-
1170	Accounts receivable, net	6(4)	248,772	6	295,913	7
1180	Accounts receivable - related parties, net	6(4) and 7	100	-	5,785	-
1200	Other receivables		607	-	292	-
1210	Other receivables - related parties	7	25	-	28,723	1
130X	Inventories	5(2) and 6(5)	141,120	3	137,616	3
1410	Prepayments	6(6)	47,734	1	32,474	1
1479	Other current assets, others		3,290	-	2,910	-
11XX	**Current Assets**		1,303,216	29	1,201,866	28
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)	145	-	76	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	253,212	6	188,995	4
1550	Investments accounted for using equity method	6(7) and 7	2,460,453	55	2,411,038	56
1600	Property, plant and equipment	6(8) and 8	424,493	9	457,220	11
1755	Right-of-use assets	6(9)	37,951	1	39,489	1
1780	Intangible assets	6(11)	1,989	-	1,385	-
1840	Deferred income tax assets	6(26)	16,468	-	18,302	-
1920	Guarantee deposits paid		2,328	-	2,433	-
1990	Other non-current assets, others		2,764	-	4,003	-
15XX	**Non-current assets**		3,199,803	71	3,122,941	72
1XXX	**Total assets**		$ 4,503,019	100	$ 4,324,807	100

(Continued)

LASER TEK TAIWAN CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12) and 8	$ 1,403,750	31	$ 1,416,350	33
2110	Short-term notes and bills payable	6(13)	15,000	-	70,000	2
2120	Financial liabilities at fair value through profit or loss - current	6(2)	12,762	-	3,917	-
2130	Current contract liabilities	6(20)	17,369	-	19,888	-
2170	Accounts payable		76,997	2	80,827	2
2180	Accounts payable - related parties	7	10,598	-	33,328	1
2200	Other payables	6(14)	75,608	2	92,661	2
2220	Other payables - related parties	7	657,933	15	533,067	12
2230	Current income tax liabilities		29,422	1	32,698	1
2280	Current lease liabilities		1,121	-	1,341	-
2320	Long-term liabilities, current portion	6(15) and 8	135,635	3	127,013	3
2399	Other current liabilities, others		14,226	-	11,235	-
21XX	**Current Liabilities**		2,450,421	54	2,422,325	56
	Non-current liabilities					
2540	Long-term borrowings	6(15) and 8	188,537	4	148,488	3
2570	Deferred income tax liabilities	6(26)	23,522	1	23,522	1
2580	Non-current lease liabilities		37,310	1	38,431	1
2670	Other non-current liabilities, others		2,840	-	2,571	-
25XX	**Non-current liabilities**		252,209	6	213,012	5
2XXX	**Total Liabilities**		2,702,630	60	2,635,337	61
	Equity					
	Share capital	6(17)				
3110	Share capital - common stock		796,799	18	796,799	18
	Capital surplus	6(18)				
3200	Capital surplus		132,061	3	132,061	3
	Retained earnings	6(19)				
3310	Legal reserve		373,302	8	358,246	8
3320	Special reserve		66,112	1	231,109	5
3350	Unappropriated retained earnings		414,098	9	237,367	6
	Other equity interest					
3400	Other equity interest		18,017	1	(66,112)	(1)
3XXX	**Total equity**		1,800,389	40	1,689,470	39
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 4,503,019	100	$ 4,324,807	100

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

LASER TEK TAIWAN CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(20) and 7	$ 820,917	100	$ 913,979	100
5000	Operating costs	6(5)(25) and 7	(582,878)	(71)	(643,553)	(70)
5900	Net operating margin		238,039	29	270,426	30
	Operating expenses	6(25)				
6100	Selling expenses		(43,674)	(5)	(48,436)	(5)
6200	General and administrative expenses		(112,269)	(14)	(118,516)	(13)
6300	Research and development expenses		(31,220)	(4)	(32,352)	(4)
6450	Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	12(2)	11,070	2	1,906	-
6000	Total operating expenses		(176,093)	(21)	(197,398)	(22)
6900	Operating profit		61,946	8	73,028	8
	Non-operating income and expenses					
7100	Interest income	6(21) and 7	22,624	3	4,765	1
7010	Other income	6(3)(22) and 7	52,350	6	55,985	6
7020	Other gains and losses	6(2)(23)	40,101	5	76,944	8
7050	Finance costs	6(24) and 7	(44,644)	(6)	(29,266)	(3)
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(7)	47,508	6	7,073	1
7000	Total non-operating income and expenses		117,939	14	115,501	13
7900	**Profit before income tax**		179,885	22	188,529	21
7950	Income tax expense	6(26)	(33,273)	(4)	(37,973)	(4)
8200	**Profit for the year**		$ 146,612	18	$ 150,556	17
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3) and 12(3)	$ 31,077	4	($ 9,280)	(1)
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		49,445	6	(28,926)	(3)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Other comprehensive income, before tax, exchange differences on translation		3,305	-	203,203	22
8300	**Other comprehensive income for the year**		$ 83,827	10	$ 164,997	18
8500	**Total comprehensive income for the year**		$ 230,439	28	$ 315,553	35
	Earnings per share	6(27)				
9750	Basic		$	1.84	$	1.82
9850	Diluted		$	1.82	$	1.78

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

LASER TEK TAIWAN CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

			Capital surplus		Retained earnings			Other equity interest		
	Notes	Ordinary share	Additional paid-in capital	Treasury stock transactions	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
2022										
Balance at January 1, 2022		$ 838,736	$ 131,066	$ 995	$ 332,530	$ 170,647	$ 298,799	($ 223,456)	($ 7,653)	$1,541,664
Profit for the year	6(27)	-	-	-	-	-	150,556	-	-	150,556
Other comprehensive (loss) income for the year		-	-	-	-	-	-	203,203	(38,206)	164,997
Total comprehensive income (loss)		-	-	-	-	-	150,556	203,203	(38,206)	315,553
Appropriation and distribution of 2021 retained earnings:										
Legal reserve		-	-	-	25,716	-	(25,716)	-	-	-
Special reserve		-	-	-	-	60,462	(60,462)	-	-	-
Cash dividends	6(19)	-	-	-	-	-	(125,810)	-	-	(125,810)
Capital reduction	6(17)	(41,937)	-	-	-	-	-	-	-	(41,937)
Balance at December 31, 2022		$ 796,799	$ 131,066	$ 995	$ 358,246	$ 231,109	$ 237,367	($ 20,253)	($ 45,859)	$1,689,470
2023										
Balance at January 1, 2023		$ 796,799	$ 131,066	$ 995	$ 358,246	$ 231,109	$ 237,367	($ 20,253)	($ 45,859)	$1,689,470
Profit for the year	6(27)	-	-	-	-	-	146,612	-	-	146,612
Other comprehensive income for the year		-	-	-	-	-	-	3,305	80,522	83,827
Total comprehensive income		-	-	-	-	-	146,612	3,305	80,522	230,439
Appropriation and distribution of 2022 retained earnings:										
Legal reserve		-	-	-	15,056	-	(15,056)	-	-	-
Special reserve		-	-	-	-	(164,997)	164,997	-	-	-
Cash dividends	6(19)	-	-	-	-	-	(119,520)	-	-	(119,520)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	-	-	(302)	-	302	-
Balance at December 31, 2023		$ 796,799	$ 131,066	$ 995	$ 373,302	$ 66,112	$ 414,098	($ 16,948)	$ 34,965	$1,800,389

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

LASER TEK TAIWAN CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 179,885	$ 188,529
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(8)(9)(25)	36,205	35,868
Amortisation expense	6(11)(25)	1,781	1,872
Expected credit gain	12(2)	(11,070)	(1,906)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(2)(23)	(10,280)	8,883
Interest expense	6(24)	44,644	29,266
Interest income	6(21)	(22,624)	(4,765)
Dividend income	6(3)(22)	(3,968)	(7,385)
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	6(7)	(47,508)	(7,073)
Loss (gain) on disposal of property, plant and equipment	6(23)	332	(200)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		763	84
Accounts receivable		58,211	36,724
Accounts receivable - related parties		5,685	12,225
Other receivables		(315)	25,578
Other receivables - related parties		53	331
Inventories		(4,917)	23,141
Prepayments		(15,433)	432
Other current assets, others		(380)	(466)
Changes in operating liabilities			
Current contract liabilities		(2,519)	(27,574)
Accounts payable		(3,830)	2,978
Accounts payable - related parties		(22,730)	(31,791)
Other payables		(16,802)	(12,695)
Other payables - related parties		(720)	2,738
Other current liabilities, others		2,991	3,117
Other non-current liabilities, others		269	365
Cash inflow generated from operations		167,723	278,276
Interest received		22,624	4,765
Dividend income		3,968	7,385
Interest paid		(44,291)	(28,950)
Income taxes paid		(34,715)	(17,458)
Net cash flows from operating activities		115,309	244,018

(Continued)

LASER TEK TAIWAN CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of current financial assets at fair value through profit or loss		($ 78,866)	($ 117,515)
Proceeds from disposal of current financial assets at fair value through profit or loss		61,091	
Increase in current financial assets at amortised cost		(157,697)	(12,129)
Decrease (increase) in other receivables - related parties		28,645	(39,316)
Acquisition of non-current financial assets at fair value through other comprehensive income	12(3)	(41,004)	(14,593)
Acquisition of current financial assets at fair value through other comprehensive income		339	65,938
Proceeds from capital reduction of non-current financial assets at fair value through other comprehensive income	12(3)	7,525	-
Acquisition of investments accounted for using the equity method		(19,157)	(78,660)
Proceeds from capital reduction of investments accounted for using equity method		70,000	16,352
Acquisition of property, plant and equipment	6(28)	(2,886)	(-)
Proceeds from disposal of property, plant and equipment		10	33,104
Acquisition of intangible assets	6(11)	(2,385)	(1,114)
Decrease in other non-current assets, others		2,825	1,116
Decrease in guarantee deposits paid		105	3,301
Net cash flows used in investing activities		(131,455)	(-)
CASH FLOWS FROM FINANCING ACTIVITIES			192,730
Decrease in short-term loans	6(29)	(12,600)	( )
Decrease in short-term notes and bills payable	6(29)	(55,000)	(64,000)
Increase in other payables - related parties	6(29)	125,586	20,000
Proceeds from long-term borrowings	6(29)	200,000	473,197
Repayments of long-term borrowings	6(29)	(151,329)	(-)
Payments of lease liabilities	6(29)	(1,341)	(164,513)
Cash dividends paid	6(19)	(119,520)	(1,433)
Capital reduction payments to shareholders	6(17)	-	(125,810)
Net cash flows (used in) from financing activities		(14,204)	41,937
Net (decrease) increase in cash and cash equivalents		(30,350)	55,504
Cash and cash equivalents at beginning of year		238,104	106,792
Cash and cash equivalents at end of year		$ 207,754	$ 131,312
			238,104

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

LASER TEK TAIWAN CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

LASER TEK TAIWAN CO., LTD. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) in September 1988. The Company is primarily engaged in the processing of surface mount devices (SMD), surface mount technology (SMT) equipment, enterprise intelligent information systems and laser precision, the manufacturing, processing and sales of laser trimming machines, the design and sales of testing probe cards and the manufacturing and processing of printing materials. The Company's shares have been listed on the Taipei Exchange starting from December 2002.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These parent company only financial statements were authorised for issuance by the Board of Directors on March 14, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, ' Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

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

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits with original maturity within three months that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Company's demand deposits - reserve account and time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Leasing arrangements (lessor)－operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(14) Investments accounted for using the equity method / subsidiaries and associates

A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Inter-company transactions, balances and unrealised gains or losses on transactions between the Company and subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.

D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

G. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

J. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

K. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall be equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall be equal to equity attributable to owners of the parent in the consolidated financial statements.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	8~35 years
Machinery and equipment	1~10 year(s)
Transportation equipment	1~5 years
Office equipment	3~5 years
Other equipment	2~12 year(s)

(16) Leasing arrangements (lessee)-right-of use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the discounted net present value of the remaining lease payments at the commencement date. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Intangible assets

Mainly refer to computer software which is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 year(s).

(18) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(19) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised over the period of the borrowings using the effective interest method.

(20) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(24) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(25) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business entity that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(26) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(27) Dividends

Dividends are recorded as liabilities in the Company's financial statements in the period in which they are resolved by the Board of Directors. Stock dividends are recorded as stock dividends to be distributed when they are approved by the Company's shareholders, and are reclassified to ordinary shares on the effective date of new shares issuance.

(28) Revenue recognition

A. Sales revenue

The Company manufactures and sells SMD electronic materials, SMT related equipment and laser equipment. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Contract liabilities are recognised when the Company has received consideration or an amount of consideration is due from the customer before transferring the goods to the customer. Contract liabilities are transferred to revenue when the Company transferred the goods to the customer.

B. Repair and maintenance service revenue

The Company provides machine and after-sales maintenance services. Revenue is recognised when the services are rendered.

C. Commissions revenue

Revenue is recognised based on the net amount of the commissions received when the Company acts as an agent but not a principal obligor in a transaction.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

The Company had made judgements in applying accounting policies when preparing the parent company only financial statements. However, the judgements made has no material impact to the adoption of accounting policies.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories was $141,120.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 332	$ 690
Checking accounts and demand deposits	207,422	176,014
Time deposit	-	61,400
	$ 207,754	$ 238,104

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Times deposits with original maturity over three months held by the Company on December 31, 2023 and 2022 amounted to $61,240 and $0, respectively. The time deposits had been classified to current financial assets at amortised cost as they were not highly liquid investments. Interest income of the aforementioned time deposits was recognised under interest income from bank deposits. Please refer to Note 6(21).

C. Cash and cash equivalents that were restricted because of pledging to others as collateral on December 31, 2023 and 2022 amounting to $363,728 and $267,451, respectively, had been classified to current financial assets at amortised cost. Please refer to Note 8.

(2) Financial assets and liabilities at fair value through profit or loss

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 45,235	$ 52,443
Emerging stocks	15,502	6,734
Beneficiary certificates	138,662	102,436
Bank debentures	28,224	37,044
Derivative financial instruments - exchange rate swaps	-	296
	227,623	198,953
Valuation adjustment	(1,563)	(9,724)
	$ 226,060	$ 189,229
Financial liabilities held for trading		
Derivative financial instruments - exchange rate swaps	$ 12,762	$ 3,917
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 102	$ 102
Valuation adjustment	43	(26)
	$ 145	$ 76

A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Year ended December 31	
	2023	2022
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	($ 1,944)	($ 2,726)
Beneficiary certificates	19,178	(2,307)
Bank debentures	2,187	(2,479)
Derivative instruments	(9,141)	(1,371)
	$ 10,280	($ 8,883)

B. Explanations of the transaction nature and contract information in respect of derivative financial instruments are as follows:

December 31, 2023

Items	Currency	Contract amount	Fair value	Expiry date
Exchange rate swap	USD to NTD	USD 1,000 thousand	($ 1,229)	2024.01.04
Exchange rate swap	USD to NTD	USD 1,000 thousand	(1,271)	2024.01.17
Exchange rate swap	USD to NTD	USD 1,000 thousand	(1,421)	2024.01.25
Exchange rate swap	USD to NTD	USD 1,000 thousand	(1,468)	2024.01.29
Exchange rate swap	USD to NTD	USD 1,000 thousand	(1,481)	2024.01.30
Exchange rate swap	USD to NTD	USD 1,500 thousand	(1,801)	2024.02.05
Exchange rate swap	USD to NTD	USD 1,000 thousand	(1,341)	2024.02.20
Exchange rate swap	CNH to NTD	CNH 7,000 thousand	(350)	2024.03.08
Exchange rate swap	USD to NTD	USD 1,000 thousand	(740)	2024.03.13
Exchange rate swap	USD to NTD	USD 1,000 thousand	(570)	2024.03.20
Exchange rate swap	USD to NTD	USD 900 thousand	(352)	2024.03.25
Exchange rate swap	USD to NTD	USD 1,000 thousand	(423)	2024.03.25
Exchange rate swap	USD to NTD	USD 1,000 thousand	(315)	2024.03.27

December 31, 2022

Items	Currency	Contract amount	Fair value	Expiry date
Exchange rate swap	USD to NTD	USD 1,000 thousand	($ 1,077)	2023.01.17
Exchange rate swap	USD to NTD	USD 1,000 thousand	(1,468)	2023.01.31
Exchange rate swap	USD to NTD	USD 1,000 thousand	(1,181)	2023.02.08
Exchange rate swap	USD to NTD	USD 1,000 thousand	167	2023.03.02
Exchange rate swap	USD to NTD	USD 1,000 thousand	95	2023.03.15
Exchange rate swap	CNH to NTD	CNH 7,000 thousand	(56)	2023.03.20
Exchange rate swap	USD to NTD	USD 1,000 thousand	(61)	2023.03.23
Exchange rate swap	USD to NTD	USD 1,500 thousand	34	2023.02.10
Exchange rate swap	USD to NTD	USD 1,000 thousand	(59)	2023.03.28
Exchange rate swap	USD to NTD	USD 500 thousand	(15)	2023.01.31

The Company engaged in exchange rate swap transactions to hedge exchange rate risk of export. However, these exchange rate swap transactions are not accounted for under hedge accounting.

C. Details of the Company's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2023	December 31, 2022
Non-current items:		
Equity instruments:		
Chun Mao Innovation Investment Corporation	$ 50,000	$ 50,000
Hopeson Printing CO., LTD.	50,000	50,000
Homenema Technology Incorporation	40,539	40,539
Cerulean Asset Management Co., Ltd.	31,940	15,938
ST&T ELECTRIC CORP.	27,000	27,000
Chun Sheng Innovation Investment Corporation	25,000	-
Hua Chun Venture Capital Corporation	10,720	10,720
Neolink Capital Corp.	10,051	17,575
H&J Management Corporation	450	450
Hua VII Venture Capital Corporation	157	157
Win-Iink Venture Capital Corp.	-	640
	245,857	213,019
Valuation adjustment	7,355	(24,024)
	$ 253,212	$ 188,995

A. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Dividend income recognised in profit or loss Held at end of year	$ 1,531	$ 4,368
Fair value change recognised in other comprehensive income	$ 31,077	($ 9,280)
Cumulative gains (losses) reclassified to retained earnings due to derecognition	$ 302	$ -

B. The Company has no financial assets at fair value through other comprehensive income pledged to others on December 31, 2023 and 2022.

(4) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 2,706	$ 3,469
Less: Allowance for uncollectible accounts	(100)	(100)
	$ 2,606	$ 3,369
Accounts receivable	$ 261,450	$ 319,661
Less: Allowance for uncollectible accounts	(12,678)	(23,748)
	$ 248,772	$ 295,913
Accounts receivable due from related parties	$ 100	$ 5,785

A. The ageing analysis of notes receivable and accounts receivable that were past due but not impaired is as follows:

	December 31, 2023		December 31, 2022	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	$ 2,706	$ 245,377	$ 3,469	$ 294,216
Up to 30 days	-	4,792	-	5,972
31 to 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 240 days	-	-	-	-
Over 240 days	-	11,381	-	25,258
	$ 2,706	$ 261,550	$ 3,469	$ 325,446

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, notes receivable and accounts receivable were all from contracts with customers. Also, as of January 1, 2022, the balance of receivables from contracts with customers amounted to $378,078.

C. The Company has no notes receivable and accounts receivable pledged to others.

D. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable was $2,606 and $3,369 and accounts receivable (including related parties) was $248,872 and $301,698, respectively.

E. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

F. The Company has no collateral pledged for notes receivable and accounts receivable.

(5) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 50,324	($ 9,298)	$ 41,026
Raw materials	54,527	(19,482)	35,045
Supplies	1,131	(34)	1,097
Work in progress	1,792	-	1,792
Finished goods	94,359	(36,518)	57,841
Inventory in transit	4,319	-	4,319
	$ 206,452	($ 65,332)	$ 141,120

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 17,745	($ 6,195)	$ 11,550
Raw materials	67,412	(14,103)	53,309
Supplies	1,259	(32)	1,227
Work in progress	1,735	-	1,735
Finished goods	97,216	(31,803)	65,413
Inventory in transit	4,382	-	4,382
	$ 189,749	($ 52,133)	$ 137,616

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2023	2022
Cost of goods sold	$ 563,612	$ 634,745
Revenue from scraps	(750)	(618)
Loss on decline in market value	13,199	3,168
Unamortised manufacturing expenses	6,062	5,437
Loss on inventories scrapped	755	821
	$ 582,878	$ 643,553

(6) Prepayments

	December 31, 2023	December 31, 2022
Prepayments to suppliers	$ 28,472	$ 15,075
Others	19,262	17,399
	$ 47,734	$ 32,474

(7) Investments accounted for using the equity method

	December 31, 2023		December 31, 2022	
	Amount	Shareholding ratio	Amount	Shareholding ratio
SMD PACKAGING L.L.C.	$1,887,588	100%	$1,899,110	100%
LASERTEK(SINGAPORE) PTE. LTD.	404,107	100%	343,749	100%
E-technology Co., Ltd.	42,025	100%	95,981	90%
Weike Semiconductor Co., Ltd.	93,665	100%	43,319	100%
LIOU BEI FA CO., LTD.	19,463	100%	19,671	100%
Taiwan Germagic Biochemical Technology Co., Ltd.	5,689	62.25%	9,208	62.25%
Best Power Service Co., Ltd.	7,916	20%	-	-
	$2,460,453		$2,411,038	

A. Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2023 for the information regarding the Company's subsidiaries.

B. Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method for the years ended December 31, 2023 and 2022 amounted to $47,508 and $7,073, respectively.

C. On August 31, 2023, the Company acquired 10% of equity interests in E-technology Co., Ltd.; E-technology Co., Ltd. decreased its cash capital amounting to $70,000 on October, 2023.

D. LIOU BEI FA CO., LTD. has approved the amended Articles of Incorporation on June 27, 2022 and re-formed its legal identity and changed the industry which the Group is in, etc.

E. On June 8, 2022, the Company acquired 42.25% of equity interests in Taiwan Germagic Biochemical Technology Co., Ltd. which is classified as a subsidiary since the Company obtained control over it.

F. On January 3, 2023, Best Power Service Co., Ltd. increased its cash capital, and the Company acquired 480 thousand shares.

(8) Property, plant and equipment

A. The book value information is as follows:

	December 31, 2023	December 31, 2022
Land	$ 32,585	$ 32,585
Buildings and structures	255,100	261,566
Machinery and equipment	60,464	67,670
Transportation equipment	10,441	9,710
Office equipment	3,359	3,874
Other equipment	62,544	70,642
Unfinished construction and equipment under acceptance	-	11,173
	$ 424,493	$ 457,220

B. The movements for the years are as follows:

Year ended December 31, 2023

	Beginning balance	Additions	Disposals	Transfers	Ending balance
Cost					
Land	$ 32,585	$ -	$ -	$ -	$ 32,585
Buildings and structures		-	-	-	
Owner-occupied	106,505	-	-	-	106,505
Lease	229,645	234	-	2,835	232,714
Machinery and equipment	190,536	549	(1,561)	4,961	194,485
Transportation equipment	17,353	-	-	3,377	20,730
Office equipment	9,107	388	-	-	9,495
Other equipment	110,857	1,111	(2,441)	-	109,527
Unfinished construction and equipment under acceptance	11,173	-	-	(11,173)	-
	$ 707,761	$ 2,282	($ 4,002)	$ -	$ 706,041
Accumulated depreciation					
Buildings and structures					
Owner-occupied	($ 49,494)	($ 3,013)	$ -	$ -	($ 52,507)
Lease	(25,090)	(6,522)	-	-	(31,612)
Machinery and equipment	(122,866)	(12,709)	1,554	-	(134,021)
Transportation equipment	(7,643)	(2,646)	-	-	(10,289)
Office equipment	(5,233)	(903)	-	-	(6,136)
Other equipment	(40,215)	(8,874)	2,106	-	(46,983)
	($ 250,541)	($ 34,667)	$ 3,660	$ -	($ 281,548)

Year ended December 31, 2022

	Beginning balance	Additions	Disposals	Transfers	Ending balance
Cost					
Land	$ 32,585	$ -	$ -	$ -	$ 32,585
Buildings and structures		-	-	-	
Owner-occupied	106,589	-	(84)	-	106,505
Lease	206,329	5,013	-	18,303	229,645
Machinery and equipment	179,818	4,989	(359)	6,088	190,536
Transportation equipment	13,079	7,589	(3,315)	-	17,353
Office equipment	5,547	3,670	(110)	-	9,107
Other equipment	105,516	2,700	(1,376)	4,017	110,857
Unfinished construction and equipment under acceptance	32,978	3,376	-	(25,181)	11,173
	$ 682,441	$ 27,337	($ 5,244)	$ 3,227	$ 707,761
Accumulated depreciation					
Buildings and structures					
Owner-occupied	($ 46,526)	($ 3,021)	$ 53	$ -	($ 49,494)
Lease	(19,071)	(6,019)	-	-	(25,090)
Machinery and equipment	(108,854)	(14,371)	359	-	(122,866)
Transportation equipment	(8,771)	(1,507)	2,635	-	(7,643)
Office equipment	(4,656)	(687)	110	-	(5,233)
Other equipment	(32,663)	(8,725)	1,173	-	(40,215)
	($ 220,541)	($ 34,330)	$ 4,330	$ -	($ 250,541)

(a) There were no borrowing costs capitalised as part of the Company's property, plant and equipment for the years ended December 31, 2023 and 2022.

(b) Details of the Company's property, plant and equipment pledged to others as collateral are provided in Note 8.

(9) Leasing arrangements - lessee

A. The Company leases various assets including land. Rental contracts are between 2011 and 2026. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes and subleased or re-lent to others for use.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land	$ 37,951	$ 39,489

	Year ended December 31	
	2023	2022
	Depreciation charge	Depreciation charge
Land	$ 1,538	$ 1,538

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets both were $0.

D. Due to the effects of changes in rent, the Company decreased right-of-use assets and lease liabilities amounting to $0 and $114 for the years ended December 31, 2023 and 2022, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 492	$ 510
Expense on short-term lease contracts	1,146	1,039

F. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were $2,979 and $2,982, respectively.

G. Extension options

(a) Extension options are included in the Company's lease contracts pertaining to land.

(b) In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(10) Leasing arrangements - lessor

A. The Company leases various assets including buildings. Rental contracts are made for periods of 1 and 5 year(s). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be privately lent, subleased, sold or granted to a third party for use in any different form.

B. For the years ended December 31, 2023 and 2022, the Company recognised rent income in the amounts of $28,621 and $27,055, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2023
January 1, 2024 to December 31, 2024	$ 18,783
January 1, 2025 to December 31, 2025	14,508
January 1, 2026 to December 31, 2026	10,938
	$ 44,229

	December 31, 2022
January 1, 2023 to December 31, 2023	$ 28,454
January 1, 2024 to December 31, 2024	15,834
January 1, 2025 to December 31, 2025	11,726
January 1, 2026 to December 31, 2026	10,938
	$ 66,952

(11) Intangible assets

A. The changes in cost of computer software are as follows:

	Year ended December 31	
	2023	2022
Beginning balance	$ 1,385	$ 2,141
Additions	2,385	1,116
Amortisations	(1,781)	(1,872)
Ending balance	$ 1,989	$ 1,385

B. Amortisation charges on intangible assets are mainly recognised under administrative expenses.

(12) Short-term borrowings

Type of borrowings	December 31, 2023	December 31, 2022
Bank unsecured borrowings	$ 1,060,200	$ 1,118,500
Bank secured borrowings	343,550	297,850
	$ 1,403,750	$ 1,416,350
Interest rate range	0.50%~2.35%	1.46%~2.16%

A. Please refer to Note 6(24) for interest expense of bank borrowings recognised in profit or loss.

B. Please refer to Note 8 for the details of collateral for the abovementioned short-term borrowings.

(13) Short-term notes and bills payable

	December 31, 2023	December 31, 2022
Commercial papers	$ 15,000	$ 70,000
Interest rate range	1.96%	1.40%~1.55%

The abovementioned short-term notes and bills payable were guaranteed and issued by Bills Finance Corporation. The Company did not issue guarantee notes on December 31, 2023 and 2022.

(14) Other payables

Items	December 31, 2023	December 31, 2022
Payable on employees' compensation and directors' and supervisors' remuneration	$ 49,398	$ 49,999
Payable on year-end bonuses	2,471	18,603
Payable on wages and salaries	8,558	8,082
Payable on machinery and equipment	419	1,023
Others	14,762	14,954
	$ 75,608	$ 92,661

(15) Long-term borrowings

Type of borrowings	Repayment term	December 31, 2023	December 31, 2022
Bank secured borrowings	Repayable in installments based on the agreement	$ 148,488	$ 238,001
Bank unsecured borrowings	Repayable in installments based on the agreement	175,684	37,500
		324,172	275,501
Less: Current portion		(135,635)	(127,013)
		$ 188,537	$ 148,488
Expiry date range		2024.09~2028.03	2023.04~2026.12
Interest rate range		2.14%~2.37%	1.77%~2.05%

A. Please refer to Note 6(24) for interest expense of bank borrowings recognised in profit or loss.

B. Please refer to Note 8 for the details of collateral for the abovementioned long-term borrowings.

(16) Pensions

A. Effective July 1, 2005, the Company has established a defined contribution pension plan (the"New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022 were $5,784 and $5,462, respectively.

(17) Share capital

A. Movements in the number of the Company's ordinary shares outstanding (unit: share in thousands) are as follows:

	2023	2022
At January 1	79,680	83,873
Cash capital reduction	-	(4,193)
At December 31	79,680	79,680

B. As of December 31, 2023, the Company's authorised capital was $900,000, of which $50,000 was reserved for conversion of employee stock options, but has not been applied for issuance so far. The paid-in capital was $796,799 with a par value of NT$10 (in dollars) per share.

C. To adjust the capital structure and increase return on equity, on May 11, 2022, the Board of Directors resolved to decrease capital by 5% and refund cash to shareholders, and this was approved by the shareholders on June 24, 2022. The number of shares eliminated was 4,193 thousand shares, the amount of capital reduced was $41,937. The aforementioned capital reduction came into effect as approved by the Taipei Exchange on September 28, 2022, and the chairman was authorised to set the record date for capital reduction as September 30, 2022 as resolved by the stockholders at their meeting in 2022.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

A. According to the Company's Articles of Incorporation, after paying all taxes, when distributing earnings, offsetting prior years' operating losses is a priority, and then 10% of the remaining amount shall be set aside as legal reserve, also, special reserve could be set aside or reversed in accordance with operation needs or related laws. The remainder along with the accumulated undistributed earnings shall be distributed as shareholders' dividends at a ratio of 30%, and cash dividends shall account for at least 20% of the total shareholders' dividends. The earnings appropriation ratio is determined and adjusted based on current year's profit, capital budget and capital position and related factors and shall be proposed by the Board of Directors, and if the dividends is distributed by issuing new shares, it shall be resolved by the shareholders.

   The Company can distribute dividends and bonuses according to Paragraph 5 of Article 240 of the Company Act or distribute legal reserve and capital surplus, in whole or in part, in accordance with Paragraph 1 of Article 240 of the Company Act in the form of cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors which attended by two-thirds of the total number of directors, and then reported it to the shareholders.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

D. On June 24, 2022, the stockholders resolved that total dividends for the distribution of earnings for the year of 2021 was $125,810 at NT$1.5 (in dollars) per share.

   On June 20, 2023, the stockholders resolved that total dividends for the distribution of earnings for the year of 2022 was $119,520 at NT$1.5 (in dollars) per share.

   On March 14, 2024, the Board of Directors proposed that total dividends for the distribution of earnings for the year of 2023 was $119,520 at NT$1.5 (in dollars) per share.

(20) Operating revenue

A. Operating revenue of the Company is all revenue from contracts with customers. Revenue from contracts with customers is derived from the transfer of goods and services at a point in time in the following types of goods or services:

	Year ended December 31	
	2023	2022
Sales revenue	$ 786,017	$ 881,589
Repair and maintenance service revenue	34,900	32,390
	$ 820,917	$ 913,979

B. The Company has recognised the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities - sales revenue	$ 17,369	$ 19,888	$ 47,462

C. Revenue recognised that was included in the contract liability balance at the beginning of the year:

	Year ended December 31	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Sales revenue	$ 19,877	$ 45,404

(21) Interest income

	Year ended December 31	
	2023	2022
Interest income from bank deposits	$ 16,407	$ 3,632
Bank debentures	1,617	754
Loans to others	92	317
Other interest income	4,508	62
	$ 22,624	$ 4,765

(22) Other income

	Year ended December 31	
	2023	2022
Rent income	$ 28,621	$ 27,055
Dividend income	3,968	7,385
Miscellaneous income	19,761	21,545
	$ 52,350	$ 55,985

(23) Other gains and losses

	Year ended December 31	
	2023	2022
(Losses) gains on disposals of property, plant and equipment	($ 332)	$ 200
Net foreign exchange (losses) gains	30,248	87,090
Net gains (losses) on financial assets and liabilities at fair value through profit or loss	10,280	(8,883)
Miscellaneous disbursements	(95)	(1,463)
	$ 40,101	$ 76,944

(24) Finance costs

	Year ended December 31	
	2023	2022
Interest expense:		
Bank borrowings	$ 36,251	$ 25,287
Lease liabilities	493	510
Loans from others	7,900	3,469
	$ 44,644	$ 29,266

(25) Expenses by nature

	Year ended December 31, 2023		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 46,240	$ 78,466	$ 124,706
Labour and health insurance fees	5,817	7,635	13,452
Pension costs	2,490	3,294	5,784
Directors' remuneration	-	7,031	7,031
Other personnel expenses	4,205	4,617	8,822
	$ 58,752	$ 101,043	$ 159,795
Depreciation charge	$ 10,243	$ 25,962	$ 36,205
Amortisation charge	$ -	$ 1,781	$ 1,781

	Year ended December 31, 2022		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 51,034	$ 91,271	$ 142,305
Labour and health insurance fees	5,640	7,163	12,803
Pension costs	2,421	3,041	5,462
Directors' remuneration	-	7,105	7,105
Other personnel expenses	3,795	3,857	7,652
	$ 62,890	$ 112,437	$ 175,327
Depreciation charge	$ 12,448	$ 23,420	$ 35,868
Amortisation charge	$ -	$ 1,872	$ 1,872

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 2% to 15% for employees' compensation and shall not be higher than 5% for directors' and supervisors' remuneration. However, when the Company has accumulated losses, earnings should be reserved to cover losses. Employees' compensation can be distributed in the form of shares or cash and the employees include the employees of subsidiaries who meet specific requirements.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $25,546 and $26,773, respectively; while directors' and supervisors' remuneration was accrued at $7,451 and $7,809, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2023, the employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the distributable profit of current year as of the end of reporting period at a certain percentage within the range prescribed in the Company's Articles of Incorporation. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were $25,546 and $7,451, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Components of income tax expense:

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 21,905	$ 39,332
Tax on undistributed surplus earnings	9,049	870
Prior year income tax (over)underestimation	485	421
Total current tax	31,439	40,623
Deferred tax:		
Origination and reversal of temporary differences	1,834	(2,650)
Income tax expense	$ 33,273	$ 37,973

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 35,977	$ 37,706
Effect from items adjusted and recognised by tax regulation	(12,238)	(1,024)
Tax on undistributed surplus earnings	9,049	870
Prior year income tax (over)underestimation	485	421
Income tax expense	$ 33,273	$ 37,973

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
- Temporary differences:				
Bad debts that exceed the limit for tax purpose	$ 4,112	($ 2,085)	$ -	$ 2,027
Loss on inventory	10,427	2,640	-	13,067
Unused compensated absences	495	(250)	-	245
Unrealised exchange loss	2,555	(2,139)	-	416
Impairment loss	713	-	-	713
	$ 18,302	($ 1,834)	$ -	$ 16,468
- Deferred tax liabilities:				
Gain on investments	($ 23,522)	$ -	$ -	($ 23,522)

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
- Temporary differences:				
Bad debts that exceed the limit for tax purpose	$ 4,420	($ 308)	$ -	$ 4,112
Loss on inventory	9,793	634	-	10,427
Unused compensated absences	279	216	-	495
Unrealised exchange loss	447	2,108	-	2,555
Impairment loss	713	-	-	713
	$ 15,652	$ 2,650	$ -	$ 18,302
- Deferred tax liabilities:				
Gain on investments	($ 23,522)	$ -	$ -	($ 23,522)

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2023 and 2022, the amounts of temporary difference unrecognised as deferred tax liabilities were $409,545 and $410,328, respectively.

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority. The Company does not have any tax administrative remedy.

(27) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 146,612	79,680	$ 1.84
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 146,612	79,680	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,005	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 146,612	80,685	$ 1.82

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 150,556	82,805	$ 1.82
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 150,556	82,805	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,569	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 150,556	84,374	$ 1.78

(28) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Year ended December 31	
	2023	2022
Purchase of property, plant and equipment	$ 2,282	$ 27,337
Add: Opening balance of payable on equipment	1,023	6,790
Less: Ending balance of payable on equipment	(419)	(1,023)
Cash paid during the year	$ 2,886	$ 33,104

B. Operating activities and Investing activities with no cash flow effects:

	Year ended December 31	
	2023	2022
Prepayments transferred to other non-current assets, others	$ 79	$ 32
Other current assets, others, transferred to property, plant and equipment	$ -	$ 1,693
Inventories transferred to property, plant and equipment	$ -	$ 1,467
Prepayments for business facilities transferred to property, plant and equipment	$ -	$ 67
Inventories transferred to other non-current assets, others	$ 1,507	$ 2,052
Other non-current assets, others transferred to inventories	$ -	$ 65
Prepayments transferred to inventories	$ 94	$ -

(29) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Other payables to related parties	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2023	$ 1,416,350	$ 70,000	$ 533,067	$ 275,501	$ 39,772	$ 2,334,690
Changes in cash flow from financing activities	(12,600)	(55,000)	125,586	48,671	(1,341)	105,316
Changes in cash flow from non-financing activities	-	-	(720)	-	-	(720)
At December 31, 2023	$ 1,403,750	$ 15,000	$ 657,933	$ 324,172	$ 38,431	$ 2,439,286

	Short-term borrowings	Short-term notes and bills payable	Other payables to related parties	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2022	$ 1,480,350	$ 90,000	$ 57,132	$ 440,014	$ 41,319	$ 2,108,815
Changes in cash flow from financing activities	(64,000)	(20,000)	473,197	(164,513)	(1,433)	223,251
Changes in cash flow from non-financing activities	-	-	2,738	-	(114)	2,624
At December 31, 2022	$ 1,416,350	$ 70,000	$ 533,067	$ 275,501	$ 39,772	$ 2,334,690

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
LASERTEK (SINGAPORE) PTE. LTD. (LASERTEK SINGAPORE)	Subsidiary of the Company
SMD PACKAGING L.L.C.	Subsidiary of the Company
E-technology Co., Ltd. (E-technology)	Subsidiary of the Company
Weike Semiconductor Co., Ltd. (Weike)(Note 1)	Subsidiary of the Company
Liou Bei Fa Co., Ltd. (Note 1)	Subsidiary of the Company
Taiwan Germagic Biochemical Technology Co., Ltd. (Taiwan Germagic)(Note 2)	Subsidiary of the Company
SMD INTERNATIONAL CO., LTD. (SMD BVI)	Subsidiary of SMD PACKAGING L.L.C.
LASER TEK INTERNATIONAL CO., LTD. (LASER TEK INTERNATIONAL)	Subsidiary of SMD PACKAGING L.L.C.
Prolaser (Shanghai) Trading CO., Ltd. (Prolaser)	Subsidiary of SMD PACKAGING L.L.C.
LASER TEK (SUZHOU) CO., LTD.	Subsidiary of LASER TEK INTERNATIONAL CO., LTD.
LASER TEK (KUN SHAN) CO., LTD.	Subsidiary of LASER TEK INTERNATIONAL CO., LTD.
Kunshan Weizhong Culture Creative Co., Ltd.	Subsidiary of LASER TEK (SUZHOU) CO., LTD.
Weizhong Co., Ltd. (Weizhong)	Its responsible person is the chairman of the Company
Innovision Flextech Corporation(Innovision Flextech)	Its chairman is the chairman of the Company
YONG SHENG FA Enterprise Co., Ltd. (YONG SHENG FA)	Its responsible person is the director of the Company
CHENG, TSAI-HSIN	Chairman of the Company
Homenema Technology Incorporation(Homenema)	Substantial related party

Note 1: The related party has approved the amended Articles of Incorporation on June 27, 2022 and re-formed its legal identity and changed the industry which the Group is in, etc.

Note 2: On June 8, 2022, the Company acquired 42.25% of equity interests in the related party which is classified as a subsidiary since the Company obtained control over it.

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2023	2022
Sales of goods:		
- Subsidiaries	$ 5,748	$ 28,161
- Associates	-	105
Sales of services:		
- Subsidiaries	4,620	4,453
	$ 10,368	$ 32,719

Goods and services are sold based on the price lists in force and terms agreed by both parties that would be available to third parties, except for LASERTEK SINGAPORE and LASERTEK INTERNATIONAL which use the balance after offsetting accounts receivable, other receivables, accounts payable and other payables as the collection (payment) amount.

B. Purchases

	Year ended December 31	
	2023	2022
Purchases of goods:		
- Subsidiaries		
LASERTEK SINGAPORE	$ 38,956	$ 49,790
Others	34,026	17,330
- Associates	-	118
Purchases of services:		
- Subsidiaries	740	511
	$ 73,722	$ 67,749

Goods and services are purchased from related parties on normal commercial terms and conditions that would be available to third parties, except for LASERTEK SINGAPORE and LASERTEK INTERNATIONAL which use the balance after offsetting accounts receivable, other receivables, accounts payable and other payables as the collection (payment) amount.

C. Rent income (shown as 'other income')

	Year ended December 31, 2023			
	Lease term	Leased asset	Collection term	Amount
Subsidiaries				
Weike	2022.01~2023.12	Buildings	Monthly	$ 216
Taiwan Germagic	2023.01~2023.12	Buildings	Monthly	976
Other related parties				
WEIZHONG	2022.07~2023.06 2023.07~2024.06	Buildings	Monthly	1,576
Innivision Flextech	2021.12~2023.12	Buildings	Monthly	342
				$ 3,110

	Year ended December 31, 2022			
	Lease term	Leased asset	Collection term	Amount
Subsidiaries				
Weike	2022.01~2023.12	Buildings	Monthly	$ 216
Taiwan Germagic	2022.01~2022.12	Buildings	Monthly	569
Other related parties				
WEIZHONG	2021.02~2022.01 2022.02~2022.06 2022.07~2023.06	Buildings	Monthly	1,778
Associates				
Taiwan Germagic	2022.01~2022.12	Buildings	Monthly	407
				$ 2,970

D. Receivables from related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
- Subsidiaries		
Prolaser	$ 27	$ 5,725
Others	73	60
	$ 100	$ 5,785
Other receivables (excluding financing amount):		
- Subsidiaries	$ 25	$ 78

Other receivables of the Company mainly refer to payments on behalf of related parties and rents receivable.

E. Payables to related parties

	December 31, 2023	December 31, 2022
Accounts payable:		
- Subsidiaries		
LASERTEK SINGAPORE	$ 8,935	$ 26,501
Others	1,663	6,827
	$ 10,598	$ 33,328
Other payables (excluding financing amount):		
- Subsidiaries	$ 2,456	$ 4,445
- Other related parties	1,354	85
	$ 3,810	$ 4,530

Other payables of the Company mainly refer to short-term payments made by related parties on behalf of the Company and borrowing interest.

F. Acquisition of investments accounted for using the equity method

		Year ended December 31	
		2023	2022
	Accounts	Consideration	Consideration
YONG SHENG FA	Investments accounted for using the equity method	$ -	$ 6,352
Homenema	Investments accounted for using the equity method	11,160	-
		$ 11,160	$ 6,352

The Company purchased 42.25% of shares in Taiwan Germagic from YONG SHENG FA in June 2022 due to the business needs.

The Company purchased 10% of shares in Homenema from E-technology in August 2023 due to the group reorganisation.

H. Loans to/from related parties

(a) Loans to related parties

i. Outstanding balance:

	December 31, 2023	December 31, 2022
Subsidiaries		
Prolaser (Note)	$ -	$ 28,645

Note: It refers to transferring the receivables that exceed the normal credit period to financing.

ii. Interest income:

	Year ended December 31	
	2023	2022
Subsidiaries	$ 92	$ 317

The loans to related parties are repayable over a year and carry interest at 1.15% ~ 1.19% and 1.15% ~ 1.19% per annum for the years ended December 31, 2023 and 2022, respectively.

(b) Loans from related parties

i. Outstanding balance:

	December 31, 2023	December 31, 2022
Subsidiaries		
LASER TEK INTERNATIONAL	$ 399,230	$ 368,316
SMD BVI	147,408	116,660
LASERTEK SINGAPORE	107,485	43,561
	$ 654,123	$ 528,537

ii. Interest expense:

	Year ended December 31	
	2023	2022
Subsidiaries	$ 7,900	$ 3,469

The loans from related parties are repayable over a year and carry interest at 1.15%~2.16% and 1.15%~1.19% per annum for the years ended December 31, 2023 and 2022, respectively.

I. Endorsements and guarantees provided to related parties

(a) Endorsements and guarantees that the Company provided to related parties

	December 31, 2023		December 31, 2022	
	Outstanding endorsement/ guarantee amount	Actual amount drawn down	Outstanding endorsement/ guarantee amount	Actual amount drawn down
Weike	$ 100,000	$ 100,000	$ 100,000	$ 100,000

(b) Certain long-term and short-term borrowings of the Company are guaranteed by personal credit of the chairman, CHENG, TSAI-HSIN.

(3) Key management compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	$ 39,237	$ 43,412
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	$ 39,237	$ 43,412

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

Pledged asset	December 31, 2023	December 31, 2022	Purpose
Pledged time deposits and demand deposits (shown as "current financial assets at amortised cost")	$ 363,728	$ 267,451	Short-term borrowings
Pledged listed stocks (shown as "current financial assets at fair value through profit or loss")	29,536	30,894	Credit line of short-term borrowings
Property, plant and equipment	284,089	291,350	Long-term borrowings
	$ 677,353	$ 589,695	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

In 2021, HON HAI PRECISION INDUSTRY CO., LTD. (the "HON HAI") filed civil lawsuits against the Company for discharging the debts, alleged the Company breached the supplier commitment and claimed for the default penalty in the amount of USD 1,200 thousand. On June 30, 2022, the Taiwan Taipei District Court rendered a judgment that the Company should pay USD 1,200 thousand to HON HAI, and the Company filed an appeal on July 25, 2022. On February 22, 2023, the Taiwan High Court reversed the judgement of first instance and denied the appeal of HON HAI. There was no effect or possible loss to the Company arising from the case depending on HONG HAI appeal of the judgement of third instance on March 23, 2023, but the Taiwan High Court ruled denying the appeal on June 7, 2023.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ -	$ 1,589

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure.

As the Company has to maintain the capital required for supporting the expansion and upgrading of plants and equipment, the Company's capital management is to ensure that there are necessary financial resources and operating plans to support the needs of working capital, capital expenditures, research and development expenses, debt repayment and dividend expenditures in the next 12 months.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 226,205	$ 189,305
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	253,212	188,995
Financial assets at amortised cost/ Loans and receivables		
Cash and cash equivalents	207,754	238,104
Financial assets at amortised cost	425,148	267,451
Notes receivable	2,606	3,369
Accounts receivable (including related parties)	248,872	301,698
Other receivables (including related parties)	632	29,015
Guarantee deposits paid	2,328	2,433
	$ 1,366,757	$ 1,220,370

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ 12,762	$ 3,917
Financial liabilities at amortised cost		
Short-term borrowings	1,403,750	1,416,350
Short-term notes and bills payable	15,000	70,000
Accounts payable (including related parties)	87,595	114,155
Other payables (including related parties)	733,541	625,728
Long-term borrowings (including current portion)	324,172	275,501
Lease liability	38,431	39,772
	$ 2,615,251	$ 2,545,423

B. Financial risk management policies

In order to effectively control and decrease financial risk, the Company's management is dedicated to identifying, evaluating and hedging market uncertainties to minimise potential adverse effects from market fluctuations on the Company's financial performance. The risks include market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

For supervising the management, the Board of Directors has set related regulations to authorise

the management to perform daily operations within a range of acceptable risk and requires its direct internal audit to inspect the assessment report of the management regularly. The internal audit shall report to the Board of Directors immediately if there is any unusual situation and take necessary corresponding protective measures.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company is exposed to foreign exchange risk as the operating activities and net investments in foreign operations are mainly transacted using foreign currencies. In order to avoid decreases in value of assets denominated in foreign currencies and future cash flows fluctuation resulted from changes in foreign exchange rates, the Company hedges foreign exchange risk through derivative financial instruments (including exchange rate swaps). The use of such derivative financial instruments can assists the Company in decreasing but not completely eliminating the effects of changes in foreign exchange rates.

ii. As the Company's purpose to hold certain investments in foreign operations is for strategic investments, the Company does not hedge those investments.

iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 18,503	30.71	$ 568,227
JPY:NTD	187,519	0.22	41,254
Non-monetary items			
USD:NTD	61,465	30.71	1,887,588
SGD:NTD	17,336	23.31	404,107
Financial liabilities			
Monetary items			
USD:NTD	18,257	30.71	560,672
JPY:NTD	14,596	0.22	3,211

	December 31, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 20,189	30.70	$ 619,802
JPY:NTD	170,754	0.23	39,273
Non-monetary items			
USD:NTD	61,860	30.70	1,899,110
SGD:NTD	15,017	22.89	343,749
Financial liabilities			
Monetary items			
USD:NTD	18,634	30.70	572,064
JPY:NTD	39,868	0.23	9,170

iv. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to $30,248 and $87,090, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2023			
		Sensitivity analysis		
	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	$ 568,227	1%	$ 5,682	$ -
JPY:NTD	41,254	6%	2,475	-
Non-monetary items				
USD:NTD	1,887,588	1%	-	18,876
SGD:NTD	404,107	2%	-	8,082
Financial liabilities				
Monetary items				
USD:NTD	560,672	1%	5,607	-
JPY:NTD	3,211	6%	193	-

	Year ended December 31, 2022			
		Sensitivity analysis		
	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	$ 619,802	11%	$ 68,178	$ -
JPY:NTD	39,273	3%	1,178	-
Non-monetary items				
USD:NTD	1,899,110	11%	-	208,902
SGD:NTD	343,749	12%	-	41,250
Financial liabilities				
Monetary items				
USD:NTD	572,064	11%	62,927	-
JPY:NTD	9,170	3%	275	-

Cash flow and fair value interest rate risk

i. The Company's interest rate risk arises from short-term borrowings and long-term borrowings (including current portion). Borrowings with variable rates expose the Company to cash flow interest rate risk and part of the risk is offset by cash and cash equivalents held at variable rates. Borrowings with fixed rates expose the Company to fair value interest rate risk. The Company's borrowings are mainly at variable rate. During 2023 and 2022, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.

ii. On December 31, 2023 and 2022, if the borrowing interest rate had increased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have decreased by $13,823 and $13,535, respectively. The main factor is that increases in interest expense result in floating-rate borrowings.

Price risk

i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

ii. The Company's investments in equity securities comprise shares and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, profit before tax for the years ended December 31, 2023 and 2022 would have increased by $2,001 and $1,564, respectively, as a result of losses/gains on equity securities classified

as at fair value through profit or loss. Other components of equity would have increased by $2,532 and $1,890, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the notes receivable and accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.

ii. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

iii. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. In accordance with the credit risk management, when the contract payments are past due up to 240 days, the payments are still within normal collection period. However, the default occurs when the contract payments are past due over 241 days.

v. The Company classifies customers' notes receivable and accounts receivable in accordance with credit terms. The Company applies the modified approach based on the loss rate methodology to estimate the expected credit loss.

vi. The following indicators are used to determine whether the credit impairment of financial instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.

viii. The Company adjusted and calculated the loss rate based on the historical credit loss experience of notes receivable and accounts receivable and considering the forecastability to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the provision matrix is as follows:

	Not past due	Up to 90 days	91 to 180 days	181 to 210 days	211 to 240 days	Over 241 days
December 31, 2023	0.58%	0.58%	0.59%	50.00%	75.00%	100.00%
December 31, 2022	0.45%	0.45%	0.46%	50.00%	75.00%	100.00%

ix. Movements in relation to the Company applying the modified approach to provide loss allowance for notes receivable and accounts receivable are as follows:

	2023	
	Notes receivable	Accounts receivable
At January 1	$ 100	$ 23,748
Provision for impairment	-	2,537
Reversal of impairment loss	-	(13,607)
At December 31	$ 100	$ 12,678

	2022	
	Notes receivable	Accounts receivable
At January 1	$ 100	$ 25,784
Provision for impairment	-	130
Reversal of impairment loss	-	(2,036)
Write-offs	-	(130)
At December 31	$ 100	$ 23,748

(c) Liquidity risk

The Company's objectives when managing liquidity risk are to maintain the cash and bank deposits required for operations, highly liquid marketable securities and sufficient bank financing facilities to ensure the Company has sufficient financial flexibility.

The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	December 31, 2023			
	Less than a year	Between 1 and 2 year(s)	Between 2 and 3 years	Over 3 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 1,413,995	$ -	$ -	$ -
Short-term notes and bills payable	15,000	-	-	-
Accounts payable	76,997	-	-	-
Accounts payable to related parties	10,598	-	-	-
Other payables	75,608	-	-	-
Other payables to related parties	657,933	-	-	-
Lease liability	1,826	1,820	1,820	40,118
Long-term borrowings	141,286	109,034	57,679	26,407
Derivative financial liabilities:				
Exchange rate swaps	12,762	-	-	-

	December 31, 2022			
	Less than a year	Between 1 and 2 year(s)	Between 2 and 3 years	Over 3 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 1,420,193	$ -	$ -	$ -
Short-term notes and bills payable	70,000	-	-	-
Accounts payable	80,827	-	-	-
Accounts payable to related parties	33,328	-	-	-
Other payables	92,661	-	-	-
Other payables to related parties	533,067	-	-	-
Lease liability	1,834	1,826	1,820	41,938
Long-term borrowings	131,119	78,372	37,307	36,523
Derivative financial liabilities:				
Exchange rate swaps	3,917	-	-	-

The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks, emerging stocks and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in bank debentures and derivative financial instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of the Company's cash and cash equivalents, financial assets at amortised cost, notes and accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, accounts payable, other payables, lease liabilities and long-term borrowings are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 200,078	$ -	$ -	$ 200,078
Bank debentures	-	26,127	-	26,127
Exchange rate swaps	-	-	-	-
Financial assets at fair value through other comprehensive income				
Equity securities	58,188	-	195,024	253,212
	$ 258,266	$ 26,127	$ 195,024	$ 479,417
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Exchange rate swaps	$ -	$ 12,762	$ -	$ 12,762

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 156,359	$ -	$ -	$ 156,359
Bank debentures	-	32,650	-	32,650
Exchange rate swaps	-	296	-	296
Financial assets at fair value through other comprehensive income				
Equity securities	30,505	-	158,490	188,995
	$ 186,864	$ 32,946	$ 158,490	$ 378,300
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Exchange rate swaps	$ -	$ 3,917	$ -	$ 3,917

D. The methods and assumptions the Company used to measure fair value are as follows:

(a) The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed and emerging shares	Beneficiary certificates
Market quoted price	Closing price	Net asset value

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

(c) When assessing non-standard and low-complexity financial instruments, for example, exchange rate swaps, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models.

(e) The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

E. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	2023	2022
	Non-derivative equity instrument	Non-derivative equity instrument
At January 1	$ 158,490	$ 179,291
Losses and gains recognised in other comprehensive income (Note)	3,696	(8,079)
Acquired in the year	41,004	65,938
Sold in the year	(641)	-
Proceeds from capital reduction	(7,525)	(78,660)
At December 31	$ 195,024	$ 158,490

Note: Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income.

G. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

H. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently reviewing valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 195,024	Net asset value	Not applicable	N/A	Not applicable

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 158,490	Net asset value	Not applicable	N/A	Not applicable

(4) Other matters

The Company derives operating revenue mainly from the business of machinery and equipment and component packaging materials. Benefiting from the year by year growth in the global passive components market, the order demand has grown steadily. In addition, the Company has complied with the government's pandemic prevention measures and its production capacity was not affected by factory shutdowns. The Covid-19 pandemic had no influence on the Company's operational condition and financial performance based on the assessment.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 8.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. Segment Information

Not applicable.

LASER TEK TAIWAN CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Cash on hand and revolving funds		$ 332
Cash in banks	Checking accounts	77
	Demand deposits-NTD	34,373
	Demand deposits-USD (USD $3,615 thousand, exchange rate 30.71)	111,009
	Demand deposits-JPY (JPY $140,435 thousand, exchange rate 0.2175)	30,545
	Demand deposits - other foreign currencies	31,418
		$207,754

LASER TEK TAIWAN CO., LTD.
STATEMENT OF CURRENT FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Name of Financial Instrument	Description	Shares (in units)	Face Value	Total Amount	Interest Rate	Cost	Fair value		Amount of Change in The Fair Value is Attributable to Change in The Credit Risk	Note
							Unit Price	Total Amount		
Listed stocks	WT MICROELECTRONICS CO., LTD. -Preferred Shares A	647,000	$ 10	$ 6,470	-	$ 32,236	$ 45.65	$ 29,536	$ -	Note
	O-TA Precision Industry Co., LTD.	89,000	10	890	-	12,999	90.20	8,028	-	
Emerging stocks	INNOVISION FLEXTECH CORPORATION	1,638,936	10	16,389	-	15,502	9.90	16,225	-	
Beneficiary certificates	Nomura Global Financial Bond Fund Acc USD	70,628	-	-	-	20,643	USD 9.25	20,054	-	
	Yuanta bank Global Leaders Balanced Fund	30,000	-	-	-	8,979	USD 11.72	10,799	-	
	Yuanta finance Global Leaders Balanced Fund	100,000	-	-	-	29,930	USD 11.72	35,995	-	
	Yuanta 10 plus Year Investment Grade Corporate Bond Fund	40,359	-	-	-	12,668	USD 10.42	12,916	-	
	Yuanta 2-10 Year Investment Grade Corporate Bond Fund	20,000	-	-	-	6,442	USD 10.39	6,380	-	
	Yuanta Japan Leaders Equity Fund	3,000,000	-	-	-	30,000	10.00	30,000	-	
	Yuanta Japan Leaders Equity Fund	3,000,000	-	-	-	30,000	10.00	30,000	-	
Bank debentures	AT&T INC. -bonds	2,000	-	-	3.10%	5,945	USD 75.72	4,650	-	
	Nippon Life Insurance Co. -bonds	2,000	-	-	5.10%	6,910	USD 99.57	6,116	-	
	Altria Group, Inc. -bonds denominated in USD	6,800	-	-	4.00%	15,369	USD 73.56	15,361	-	
						$ 227,623		$ 226,060	$ -	

Note: Details of the Company's financial assets pledged to others as collateral are provided in Note 8.

LASER TEK TAIWAN CO., LTD.
STATEMENT OF CURRENT FINANCIAL ASSETS MEASURED AT AMORTISED COST
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Name	Total Amount			Interest Rate	Carrying Amount	Accumulated Impairment	Note
Time deposits - Mega International Commercial Bank	NTD	2,785	thousand	1.56%~1.58%	$ 2,785	$ -	Pledged
Time deposits - Mega International Commercial Bank	NTD	121	thousand	1.58%	121	-	Pledged
Time deposits - Mega International Commercial Bank	USD	2,244	thousand	5.00%	68,919	-	Pledged
Time deposits - Taishin International Bank	USD	2,000	thousand	5.17%~5.25%	61,420	-	Pledged
Time deposits - Taishin International Bank	USD	1,000	thousand	5.31%	30,710	-	Unpledged
Time deposits - King's Town Bank	USD	4,000	thousand	5.30%	122,840	-	Pledged
Time deposits - Shin Kong Commercial Bank	USD	1,000	thousand	5.30%	30,710	-	Unpledged
Reserve account - Yuanta Commercial Bank	NTD	69	thousand	0.53%	69	-	Pledged
Reserve account - Yuanta Commercial Bank	USD	8	thousand	1.45%	233	-	Pledged
Reserve account - Taishin International Bank	NTD	81,000	thousand	0.00%	81,000	-	Pledged
Reserve account - Taishin International Bank	CNY	977	thousand	0.05%	4,230	-	Pledged
Reserve account - Taishin International Bank	USD	720	thousand	1.15%	22,111	-	Pledged
					$ 425,148		

LASER TEK TAIWAN CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Client Name	Description	Amount	Note
CKO001	Sales revenue	$ 68,679	
CTH001	Sales revenue	44,905	
CCM001	Sales revenue	17,312	
CTY002	Sales revenue	13,941	
Others (each item not exceeding 5%)	Sales revenue	116,613	
		261,450	
Less: Allowance for bad debts		(12,678)	
		$ 248,772	

LASER TEK TAIWAN CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Amount		Note
	Cost	Net realisable value	
Merchandise	$ 50,324	$ 63,347	Use net realisable value as market value
Raw materials	54,527	55,200	Use net realisable value as market value
Supplies	1,131	1,132	Use net realisable value as market value
Work in progress	1,792	2,180	Use net realisable value as market value
Finished goods	94,359	122,391	Use net realisable value as market value
Inventory in transit	4,319	4,319	Use net realisable value as market value
	206,452	$ 248,569	
Less: Allowance for valuation loss	(65,332)		
	$ 141,120		

LASER TEK TAIWAN CO., LTD.

STATEMENT OF NON-CURRENT FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars)

	Beginning Balance		Addition		Decrease		Ending Balance		
Name of Financial Instrument	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Collateral
Hopeson Printing CO., LTD.	5,000,000	$ 61,400	-	$ -	-	($ 850)	5,000,000	$ 60,550	
Chun Mao Innovation Investment Corporation	5,000,000	47,600	-	950	-	-	5,000,000	48,550	
HOMENEMA TECHNOLOGY INCORPORATION	1,201,000	30,505	-	27,683	-	-	1,201,000	58,188	
ST&T ELECTRIC CORP.	2,000,000	-	-	-	-	-	2,000,000	-	
Neolink Capital Corp.	1,750,000	17,080	-	-	(752,500)	(6,826)	997,500	10,254	
Cerulean Capital Corporation Limited Partnership	-	15,587	-	16,034	-	-	-	31,621	
Hua Chun Venture Capital Corporation	1,620,000	12,782	-	826	-	-	1,620,000	13,608	
Hua VII Venture Capital Corporation	15,789	2,579	-	822	-	-	15,789	3,401	
H&J Management Corporation	45,000	1,185	-	230	-	-	45,000	1,415	
Win-Iink Venture Capital Corp.	64,074	277	-	-	(64,074)	(277)	-	-	
Chun Sheng Innovation Investment Corporation	-	-	2,500,000	25,625	-	-	2,500,000	25,625	
		$ 188,995		$ 72,170		($ 7,953)		$ 253,212	

LASER TEK TAIWAN CO., LTD.
STATEMENT OF CHANGES ON INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

	Beginning balance		Additions		Decrease		Ending balance			Market Value or Net Assets Value			
Name	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Percentage of Ownership	Amount	Unit Price (in dollars)	Total Amount	Collateral	Note
SMD PACKAGING L.L.C.	-	$ 1,899,110	-	$ -	-	($ 11,522)	-	100%	$ 1,887,588	$ -	$ 1,891,784	None	
LASER TEK (SINGAPORE) PTE.LTD.	3,820	343,749	-	60,358	-	-	3,820	100%	404,107	106.22	405,757	None	
E-technology Co., Ltd.	9,000	95,981	1,000	16,044	(7,000)	(70,000)	3,000	100%	42,025	14.01	42,030	None	
Weike Semiconductor Co., Ltd.	7,600	43,319	-	50,346	-	-	7,600	100%	93,665	12.71	96,630	None	
LIOU BEI FA CO., LTD.	2,000	19,671	-	-	-	(208)	2,000	100%	19,463	9.73	19,463	None	
Taiwan Germagic Biochemical Technology Co., Ltd.	934	9,208	-	-	-	(3,519)	934	62.25%	5,689	9.78	9,138	None	
Best Power Service Co., Ltd.	-	-	552	7,916	-	-	552	20%	7,916	71.70	39,581	None	
		$ 2,411,038		$ 134,664		($ 85,249)			$ 2,460,453				

LASER TEK TAIWAN CO., LTD.
STATEMENT OF CHANGES IN COST OF PROPERTY, PLANT AND EQUIPMENT
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(8) for the related information of 'property, plant and equipment'

LASER TEK TAIWAN CO., LTD.
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(8) for the related information of 'property, plant and equipment'.

Please refer to Note 4(15) for the information of depreciation methods and useful lives.

LASER TEK TAIWAN CO., LTD.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Nature	Description	Ending Balance	Contract Period	Range of Interest Rate	Credit Line	Collateral	Note
Unsecured borrowings	CTBC Bank	$ 100,000	2023.12~2024.06	2.13%	$ 100,000	None	
	O-Bank	100,000	2023.12~2024.03	2.16%	100,000	None	
	Taishin Bank	78,400	2023.12~2024.01	1.99%	150,000	None	
	Yuanta Bank	194,000	2023.07~2024.07	2.28%	200,000	None	
	Mega Bank	170,000	2023.08~2024.05	1.94%	300,000	None	
	E.SUN Bank	100,000	2023.11~2024.02	1.90%	135,000	None	
	Hua Nan Bank	95,000	2023.11~2024.06	2.21%	100,000	None	
	Fubon Bank	70,000	2023.12~2024.06	2.31%	100,000	None	
	Mizuho Bank	102,800	2023.12~2024.06	2.35%	640,000	None	
	Bank SinoPac	50,000	2023.11~2024.02	2.05%	70,000	None	
Secured borrowings	Mega Bank	155,500	2023.08~2024.05	1.93%	600,000	Time deposits	
	Taishin Bank	53,050	2023.12~2024.01	1.89%	100,000	Time deposits	
	King's Town Bank	100,000	2023.11~2024.02	2.00%	100,000	Time deposits	
	E.SUN Bank	35,000	2023.08~2024.08	0.50%	135,000	Credit Guarantee Fund	
		$ 1,403,750					

LASER TEK TAIWAN CO., LTD.
STATEMENT OF SHORT-TERM BILLS PAYABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Guarantor Institution	Contract Period	Range of Interest Rate	Amount	Collateral	Note
Commercial papers	Mega Bills Finance Co., Ltd.	2023.12~2024.01	1.96%	$ 15,000	None	

LASER TEK TAIWAN CO., LTD.
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Supplier	Description	Amount	Note
STC025A	Purchases	$ 34,895	
SKY001B	Purchases	7,053	
Others (each item not exceeding 5%)	Purchases	35,049	
		$ 76,997	

LASER TEK TAIWAN CO., LTD.
STATEMENT OF OTHER PAYABLES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(14) for the related information of ‘other payables’.

LASER TEK TAIWAN CO., LTD.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Creditor	Description	Amount	Contract Period	Range of Interest Rate	Collateral	Note
Taishin Bank	Secured borrowings	$ 108,488	2019.12~2026.12	2.21%	Buildings and structures and machinery and equipment	Principal of certain loans is repayable monthly in installments from January 2020. Principal of certain loans is repayable monthly in installments from January 2021.
Mega Bank	Secured borrowings	40,000	2021.09~2024.09	2.14%	Buildings and structures	Principal is repayable monthly in installments from October 2021.
EnTie Bank	Unsecured borrowings	90,000	2023.10~2025.07	2.37%	None	Principal is repayable quarterly in installments from October 2023.
First Bank	Unsecured borrowings	85,684	2023.03~2028.03	2.18%	None	Principal is repayable monthly in installments from April 2023.
		324,172				
Less: Current portion		(135,635)				
		$ 188,537				

LASER TEK TAIWAN CO., LTD.
STATEMENT OF OPERATING REVENUES
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Volume	Amount
Sales revenue		
SMD packaging materials	(Note)	$ 380,437
ECT products	(Note)	173,595
Laser equipment	(Note)	230,718
Others	(Note)	3,110
Total sales revenue		787,860
Repair and maintenance service revenue		35,070
Total operating revenue		822,930
Less: Sales returns and discounts		(2,013)
Operating revenue, net		$ 820,917

Note: As the item includes carrier tapes, equipment, parts, finished goods of molds and goods which were not calculated in the same unit, the volume statistics could not be shown.

LASER TEK TAIWAN CO., LTD.
STATEMENT OF OPERATING COSTS
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Amount	
	Subtotal	Total
Cost of goods purchased and sold		
Beginning inventories	$ 17,745	
Net purchase for the year	254,537	
Ending inventories	(50,324)	
Add: Cost of raw materials and supplies and office supplies sold	16,756	
Less: Goods transferred to work in progress	(2,248)	
Goods scrapped	(78)	
Transferred to expenses	(180)	
Cost of goods sold		$ 236,208
Cost of goods produced and sold		
Beginning materials	67,412	
Materials purchased	228,181	
Ending materials	(54,527)	
Add: Office supplies transferred to direct raw materials(others)	94	
Less: Cost of raw materials sold	(16,651)	
Raw materials transferred to work in progress	(30)	
Transferred to expenses	(3,740)	
Direct raw materials used		220,739
Beginning supplies	1,259	
Supplies purchased	15,159	
Ending supplies	(1,131)	
Less: Transferred to manufacturing expense	(15,284)	
Cost of supplies sold	(3)	
Direct labor		27,646
Manufacturing expenses		82,690
Manufacturing cost		331,075
Beginning work in progress		1,735
Add: Raw Materials and Goods transferred to work in progress		2,278
Less: Ending work in progress		(1,792)
Cost of finished goods		333,296
Add: Beginning finished goods		97,216
Less: Finished goods scrapped		(677)
Finished goods transferred to unamortised expenses		(1,507)
Transferred to expenses		(6,565)
Ending finished goods		(94,359)
Cost of goods produced and sold		327,404
Revenue from sales of scraps		(750)
Loss on decline in market value		13,199
Unamortised manufacturing expenses		6,062
Loss on inventories scrapped		755
Operating cost		$ 582,878

LASER TEK TAIWAN CO., LTD.
STATEMENT OF MANUFACTURING EXPENSES
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Wages and salaries		$ 21,084	
Material expense		15,614	
Depreciation expense		10,243	
Repairs and maintenance expense		8,105	
Insurance expense		6,011	
Utilities expense		4,405	
Other expenses	(each item not exceeding 5%)	17,228	
		$ 82,690	

LASER TEK TAIWAN CO., LTD.
STATEMENT OF SELLING EXPENSES
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Wages and salaries		$ 18,168	
Export (customs) expense		4,679	
Freight		3,552	
Utilities expense		3,601	
Travel expenses		5,235	
Other expenses	(each item not exceeding 5%)	8,439	
		$ 43,674	

LASER TEK TAIWAN CO., LTD.
STATEMENT OF ADMINISTRATIVE EXPENSES
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Wages and salaries		$ 50,442	
Depreciations charge		22,936	
Other expenses	(each item not exceeding 5%)	38,891	
		$ 112,269	

LASER TEK TAIWAN CO., LTD.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Wages and salaries		$ 20,181	
Training expense		3,959	
Insurance expense		1,948	
Other expenses	(each item not exceeding 5%)	5,132	
		$ 31,220	

LASER TEK TAIWAN CO., LTD.
STATEMENT OF FINANCE COOST
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(24) for the detailed information of current period finance costs.

LASER TEK TAIWAN CO., LTD.
SUMMARY STATEMENT OF CURRENT EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTISATION EXPENSES BY FUNCTION
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6(25) for the related information of summary of current period employee benefits, depreciation and amortisation expenses by function.

In addition, as at December 31, 2023 and 2022, the Company had 200 and 200 employees, respectively, which included 6 and 5 non-employee directors , respectively;

Average employee benefit expense for the years ended December 31, 2023 and 2022 was $787 and $863, respectively;

Average employee salaries for the years ended December 31, 2023 and 2022 were $643 and $730, respectively; decreasing adjustments of average employee salaries were 11.92%;

According to the regulation, the Company has set up a remuneration committee in place of the supervisors for the year ended December 31, 2023. Supervisors' remuneration for the years ended December 31, 2023 and 2022 both were $1,050; and The Company's salary, remuneration and compensation policy: Remuneration of directors, supervisors and managers was determined by reference to the general pay levels in the same industry and considering their ability to perform business, degree of contribution and the Company's operational condition; salary of the employees was assessed and approved according to their education and experience background, professional knowledge and technique, seniority and personal performance as well as flexibly adjusted and distributed according to the operational condition to timely motivate morale and retain outstanding employees; and the items and amounts of annual salary adjustments were determined according to the employees' job grade and performance, respectively.

LASER TEK TAIWAN CO., LTD.

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 2)	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	LASER TEK TAIWAN CO., LTD.	Prolaser (Shanghai) Trading CO., Ltd.	Other receivables due from related parties	Yes	$ 40,000	$ -	$ -	1.19	1	$ 4,173	Business transaction	$ -	-	$ -	$ 4,173	$ 360,078	Notes 4 and 5
0	LASER TEK TAIWAN CO., LTD.	Weike Semiconductor Co., Ltd.	Other receivables due from related parties	Yes	60,000	-	-	1.15	2	-	Working capital	-	-	-	180,039	360,078	Notes 4 and 5
1	LASER TEK INTERNATIONAL CO., LTD.	Laser Tek (Kun Shan) Co., LTD.	Other receivables due from related parties	Yes	21,645	21,645	21,645	1.15	2	-	Working capital	-	-	-	1,761,422	1,761,422	Notes 6, 7 and 11
1	LASER TEK INTERNATIONAL CO., LTD.	LASER TEK TAIWAN CO., LTD.	Other receivables due from related parties	Yes	399,230	399,230	399,230	1.15-2.16	2	-	Working capital	-	-	-	1,761,422	1,761,422	Notes 6, 7 and 11
1	LASER TEK INTERNATIONAL CO., LTD.	Weike Semiconductor Co., Ltd.	Other receivables due from related parties	Yes	101,343	98,272	98,272	2.16	2	-	Working capital	-	-	-	117,428	234,856	Notes 8, 9 and 11
2	SMD INTERNATIONAL CO., LTD.	LASER TEK INTERNATIONAL CO., LTD.	Other receivables due from related parties	Yes	147,408	147,408	147,408	1.15-2.16	2	-	Working capital	-	-	-	967,357	967,357	Notes 6, 7 and 11
2	SMD INTERNATIONAL CO., LTD.	Weike Semiconductor Co., Ltd.	Other receivables due from related parties	Yes	58,349	39,923	39,923	2.16	2	-	Working capital	-	-	-	64,490	128,981	Notes 8, 9 and 11
3	LASER TEK (SUZHOU) CO., LTD.	Prolaser (Shanghai) Trading CO., Ltd.	Other receivables due from related parties	Yes	34,632	34,632	34,632	1.15	2	-	Working capital	-	-	-	352,925	352,925	Notes 6, 7 and 10

LASER TEK TAIWAN CO., LTD.

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 2)	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
4	LASERTEK (SINGAPORE) PTE. LTD.	LASER TEK INTERNATIONAL CO., LTD.	Other receivables due from related parties	Yes	$ 54,759	$ -	$ -	1.15	1	$ 9,262	Business transaction	$ -	-	$ -	$ 9,262	$ 608,635	Notes 6, 7, 12
4	LASERTEK (SINGAPORE) PTE. LTD.	LASER TEK INTERNATIONAL CO., LTD.	Other receivables due from related parties	Yes	44,576	-	-	1.15	1	39,575	Business transaction	-	-	-	39,575	608,635	Notes 6, 7 and 12
4	LASERTEK (SINGAPORE) PTE. LTD.	LASER TEK TAIWAN CO., LTD.	Other receivables due from related parties	Yes	110,268	110,268	110,268	1.15-2.16	2	-	Working capital	-	-	-	608,635	608,635	Notes 6, 7 and 12

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2023.

Note 3: The column of 'Nature of loan' shall fill in (1) for 'Business transaction' or (2) for 'Short-term financing'.

Note 4: In accordance with the creditor's "Procedures for Provision of Loans", limit on loans granted to a single party with business transaction is the amount of business transactions occurred between the both parties in the current year and limit on loans granted to a single party with short-term financing is 10% of the Company's net assets.

Note 5: In accordance with the creditor's "Procedures for Provision of Loans", ceiling on total loans granted is 20% of the Company's net assets.

Note 6: In accordance with the creditor's "Procedures for Provision of Loans", limit on loans granted to a single party with business transaction is the amount of business transactions occurred between the both parties in the current year and limit on loans granted to a single party with short-term financing is 150% of the creditor's net assets.

Note 7: In accordance with the creditor's "Procedures for Provision of Loans", ceiling on total loans granted is 150% of the creditor's net assets.

Note 8: In accordance with the creditor's "Procedures for Provision of Loans", limit on loans granted to a single party with business transaction is the amount of business transactions occurred between the both parties in the current year and limit on loans granted to a single party with short-term financing is 10% of the creditor's net assets.

Note 9: In accordance with the creditor's "Procedures for Provision of Loans", ceiling on total loans granted is 20% of the creditor's net assets.

Note 10: The amounts were translated to NTD at 4.33 of CNH exchange rate on December 31, 2023.

Note 11: The amounts were translated to NTD at 30.71 of USD exchange rate on December 31, 2023.

Note 12: The amounts were translated to NTD at 23.31 of SGD exchange rate on December 31, 2023.

LASER TEK TAIWAN CO., LTD.

Provision of endorsements and guarantees to others

Year eneded December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2023 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
0	LASER TEK TAIWAN CO., LTD.	Weike Semiconductor Co., Ltd.	4	$ 360,078	$ 100,000	$ 100,000	$ 100,000	$ -	5.55	$ 900,195	Y	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Ceiling on total amount of endorsements/guarantees provided by the Company and subsidiaries is 50% of the current net assets and limit on endorsements/guarantees provided for a single party is 20% of the current net assets.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: The amount was approved by the Board of Directors.

Note 6: The actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

LASER TEK TAIWAN CO., LTD.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares	Book value	Ownership (%) (Note 1)	Fair value	
LASER TEK TAIWAN CO., LTD.	AT&T INC. -bonds	N/A	Financial assets at fair value through profit or loss - current	2,000	$ 4,650	-	$ 4,650	
	Nippon Life Insurance Co. -bonds	N/A	Financial assets at fair value through profit or loss - current	2,000	6,116	-	6,116	
	Altria Group, Inc. -bonds denominated in USD	N/A	Financial assets at fair value through profit or loss - current	6,800	15,361	-	15,361	
	WT MICROELECTRONICS CO., LTD. - Preferred Shares A	N/A	Financial assets at fair value through profit or loss - current	647,000	29,536	-	29,536	Note 2
	O-TA PRECISION INDUSTRY CO., LTD. - stocks	N/A	Financial assets at fair value through profit or loss - current	89,000	8,028	-	8,028	
	INNOVISION FLEXTECH CORPORATION - stocks	N/A	Financial assets at fair value through profit or loss - current	1,638,936	16,225	6.22%	16,225	
	Nomura Global Financial Bond Fund Acc USD	N/A	Financial assets at fair value through profit or loss - current	70,628	20,054	-	20,054	
	Yuanta bank Global Leaders Balanced Fund	N/A	Financial assets at fair value through profit or loss - current	30,000	10,799	-	10,799	
	Yuanta finance Global Leaders Balanced Fund	N/A	Financial assets at fair value through profit or loss - current	100,000	35,995	-	35,995	
	Yuanta 10 plus Year Investment Grade Corporate Bond Fund	N/A	Financial assets at fair value through profit or loss - current	40,359	12,916	-	12,916	
	Yuanta 2-10 Year Investment Grade Corporate Bond Fund	N/A	Financial assets at fair value through profit or loss - current	20,000	6,380	-	6,380	
	Yuanta finance Japan Leaders Equity Fund	N/A	Financial assets at fair value through profit or loss - current	3,000,000	30,000	-	30,000	
	Yuanta bank Japan Leaders Equity Fund	N/A	Financial assets at fair value through profit or loss - current	3,000,000	30,000	-	30,000	
	HOMENEMA TECHNOLOGY INCORPORATION -stocks	N/A	Non-current financial assets at fair value through profit or loss	3,000	145	-	145	
	Hua VII Venture Capital Corporation -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	15,789	3,401	-	3,401	
	H&J Management Corporation -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	45,000	1,415	9%	1,415	
	ST&T ELECTRIC CORP. -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	2,000,000	-	8.73%	-	
	Chun Mao Innovation Investment Corporation -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	5,000,000	48,550	16.67%	48,550	
	Hua Chun Venture Capital Corporation -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	1,620,000	13,608	5.48%	13,608	

LASER TEK TAIWAN CO., LTD.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares	Book value	Ownership (%) (Note 1)	Fair value	
LASER TEK TAIWAN CO., LTD.	Neolink Capital Corp. -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	997,500	$ 10,254	-	$ 10,254	
	Cerulean Asset Management Co., Ltd.	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	-	31,621	14.11%	31,653	
	Hopeson Printing CO., LTD.	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	5,000,000	60,550	10.53%	60,550	
	Chun Sheng Innovation Investment Corporation -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	2,500,000	25,625	16.67%	25,625	
	HOMENEMA TECHNOLOGY INCORPORATION -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	1,201,000	58,188	-	58,188	
Weike Semiconductor Co., Ltd.	O-TA PRECISION INDUSTRY CO., LTD. -stocks	N/A	Financial assets at fair value through profit or loss - current	553,000	49,881	-	49,881	
	INNOVISION FLEXTECH CORPORATION -stocks	N/A	Financial assets at fair value through profit or loss - current	1,891,000	18,721	7.18%	18,721	
	HOMENEMA TECHNOLOGY INCORPORATION -stocks	N/A	Non-current financial assets at fair value through profit or loss	1,088,000	52,714	-	52,714	
SMD INTERNATIONAL CO., LTD.	Geminis Investors Limited short term notes -funds	N/A	Financial assets at fair value through profit or loss - current	2,000,000	61,420	-	61,420	
	Evenstar Sub-Fund 1 Segregated Portfolio, Class D Restricted -funds	N/A	Non-current financial assets at fair value through profit or loss	1,041	116,981	-	116,981	
	Accuvest Capital I Limited -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	2,000,000	54,295	12%	54,295	
	Accuvest Capital II Limited -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	2,000,000	71,585	19.51%	71,585	
	Accuvest Management Incorporated -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	9,000	329	9%	329	

LASER TEK TAIWAN CO., LTD.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares	Book value	Ownership (%) (Note 1)	Fair value	
LASER TEK INTERNATIONAL CO., LTD.	LeadSun New Star Corp.	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	200,000	$ 859	6.25%	$ 859	
	LeadSun Investment & Asset Management Limited -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	984,375	10,883	9.38%	10,883	
	LeadSun Winion Limited -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	1,000,000	41,459	18.18%	41,459	
	LeadSun Kcis Limited -stocks	N/A	Non-current investments in equity instruments designated at fair value through other comprehensive income	1,000,000	31,631	14.29%	31,631	
	Emirates NBD PJSC. -bonds denominated in USD	N/A	Financial assets at fair value through profit or loss - current	21,000	41,597	-	41,597	
	Geminis Investors Limited short term notes - funds	N/A	Financial assets at fair value through profit or loss - current	2,000,000	61,420	-	61,420	

Note 1: The percentage of ownership less than 5% was not disclosed.

Note 2: Details of the Company’s financial assets pledged to others as collateral are provided in Note 8.

LASER TEK TAIWAN CO., LTD.

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
SMD INTERNATIONAL CO., LTD.	LASER TEK TAIWAN CO., LTD.	Affiliate	Other receivable $147,987		$ -	-	$ -	$ -
LASER TEK INTERNATIONAL CO., LTD.	LASER TEK TAIWAN CO., LTD.	Affiliate	Accounts receivable 1,663	8.11	-	-	161	-
		Affiliate	Other receivable 400,169		-	-	19	-
Laser Tek Singapore Pte Ltd	LASER TEK TAIWAN CO., LTD.	Affiliate	Other receivable 108,332		-	-	530	-

Note 1: Fill in separately the balances of accounts receivable–related parties, notes receivable–related parties, other receivables–related parties….

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

LASER TEK TAIWAN CO., LTD.

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

Inter-company transactions reaching NT$50 million is provided below:

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	LASER TEK TAIWAN CO., LTD.	Weike Semiconductor Co., Ltd.	1	Endorsements and guarantees	$ 100,000	In accordance with the "Procedures for Provision of Endorsements and Guarantees"	2%
0	LASER TEK TAIWAN CO., LTD.	LASER TEK INTERNATIONAL CO., LTD.	1	Other payables	400,169	In accordance with mutual agreement	10%
0	LASER TEK TAIWAN CO., LTD.	SMD INTERNATIONAL CO., LTD.	1	Other payables	147,987	In accordance with mutual agreement	4%
0	LASER TEK TAIWAN CO., LTD.	LASER TEK (SINGAPORE) PTE. LTD.	1	Other payables	108,332	In accordance with mutual agreement	3%
1	Weike Semiconductor Co., Ltd.	LASER TEK INTERNATIONAL CO., LTD.	3	Other payables	98,272	In accordance with mutual agreement	2%

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

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

LASER TEK TAIWAN CO., LTD.

Information on investees

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
LASER TEK TAIWAN CO., LTD.	SMD PACKAGING L.L.C.	Anguilla	Holding company	$ 68,453	$ 68,453	-	100	$ 1,887,588	($ 54,354)	($ 57,737)	Note 2
	LASER TEK (SINGAPORE) PTE., LTD.	Singapore	Electronic products 1. FDR information retrieval system 2. LCD TEST 3. Electronic test fixture	80,458	80,458	3,820,000	100	404,107	55,432	53,823	
	E-technology Co., Ltd.	Taiwan	Lighting equipments construction, wholesale of electrical appliances and electronic materials and international trade	137,116	125,956	10,000,000	100	42,025	5,385	4,884	Note 6
	Weike Semiconductor Co., Ltd.	Taiwan	Retail sale and wholesale of electrical appliances and electronic materials and maintenance of semiconductor equipment and parts	55,589	55,589	7,600,000	100	93,665	50,356	50,346	
	LIOU BEI FA CO., LTD.	Taiwan	Solar Thermal Energy Equipment Installation Engineering and Energy Technical Services	20,000	20,000	2,000,000	100	19,463	(208)	(208)	
	Taiwan Germagic Biochemical Technology Co., Ltd.	Taiwan	Pollution controlling equipment manufacturing	9,352	9,352	933,750	62.25	5,689	(5,653)	(3,519)	
	Best Power Service Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry; Energy Technical Services	7,997	-	552,000	20	7,916	(1,614)	(81)	Note 5
Taiwan Germagic Biochemical Technology Co., Ltd.	Best Power Service Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry; Energy Technical Services	1,999	-	138,000	5	1,979	(1,614)	-	Notes 1 and 5
SMD PACKAGING L.L.C.(U.S.A.)	SMD INTERNATIONAL CO., LTD.	British Virgin Islands	Slitting and sales of chip resistor packaging carrier tape and top and bottom tape for antistatic formula	60,499	60,499	1,970,000	100	644,910	10,192	-	Notes 1 and 3
	LASER TEK INTERNATIONAL CO., LTD.	Mauritius	Slitting and sales of chip resistor packaging carrier tape and top and bottom tape for antistatic formula	58,533	58,533	1,905,734	100	1,174,289	(59,591)	-	Notes 1 and 4

LASER TEK TAIWAN CO., LTD.

Information on investees

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
LASER TEK INTERNATIONAL CO., LTD.	Media Mlife International Co., Ltd.	Samoa	Holding company	$ 5,129	$ 5,129	-	19.95	$ -	$ -	$ -	Notes 1, 2, 3 and 6

Note 1: Those amounts have been included in the profit (loss) of the Company's investee accounted for using the equity method and recognised as investment income (loss).
Note 2: Not applicable as stocks have not yet been issued.
Note 3: Investee accounted for using the equity method.
Note 4: The initial investment amount is translated from the investment amount (USD 1,970 thousand) at 30.71 of exchange rate on December 31, 2023.
Note 5: The initial investment amount is translated from the investment amount (USD 1,970 thousand) at 30.71 of exchange rate on December 31, 2023.
Note 6: The initial investment amount is translated from the investment amount (USD 167 thousand) at 30.71 of exchange rate on December 31, 2023.
Note 7: On August 31, 2023, the Company acquired 10% of equity interests in E-technology Co., Ltd..
Note 8: On January 3, 2023, Best Power Service Co., Ltd. increased cash capital, and the Group acquired its all shares.

LASER TEK TAIWAN CO., LTD.

Information on investments in Mainland China

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Prolaser (Shanghai) Trading CO., Ltd.	International trade and entrepot trade as well as trade and trade agency among enterprises in customs bonded area	$ 30,710	2	$ 6,540	$ -	$ -	$ 6,540	($ 6,260)	100	($ 6,260)	($ 4,016)	$ -	Notes 2, 5 and 10
Laser tek (Xiamen) Electronic Material Corp.	Production and sales of carrier tape and top and bottom tape	11,258	2	7,894	-	-	7,894	-	100	-	-	-	Notes 2, 6 and 10
Laser Tek (Kun Shan) Co., LTD.	Processing and sales of packaging materials for electronic components	76,529	2	39,819	-	-	39,819	(10,626)	100	(10,763)	1,701	-	Notes 2 and 7
LASER TEK (SUZHOU) CO., LTD.	Processing and sales of packaging materials for electronic components	340,881	3	-	-	-	-	1,449	100	1,449	235,284	-	Notes 2, 8 and 11
Kunshan Weizhong Culture Creative Co., Ltd.	Planning cultural and artistic activities, sales of chemical raw materials and foods as well as import and export of goods and technologies	4,330	3	-	-	-	-	11	80	9	3,842	-	Notes 2, 9 and 12

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note3)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
LASER TEK TAIWAN CO., LTD.	$ 165,098	$ 571,974	$ 1,082,954

Note 1: Investment methods are classified into the following three categories:

1. Directly invest in a company in Mainland China.
2. Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
3. Others.

Note 2: The basis for investment income (loss) recognition is the financial statements that are audited by R.O.C. parent company's CPA.

Note 3: Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (USD 18,625 thousand) is translated at 30.71 of exchange rate on December 31, 2023.

Note 4: Ceiling on investments in Mainland China is 60% of the higher of the net assets or the consolidated net assets as imposed by the Investment Commission of MOEA.

Note 5: The paid-in capital is translated from the investment amount (USD 1,000 thousand) at 30.71 of exchange rate on December 31, 2023.

Note 6: The paid-in capital is translated from the investment amount (RMB 2,600 thousand) at 4.33 of exchange rate on December 31, 2023.

Note 7: The paid-in capital is translated from the investment amount (USD 2,492 thousand) at 30.71 of exchange rate on December 31, 2023.

Note 8: The paid-in capital is translated from the investment amount (USD 11,100 thousand) at 30.71 of exchange rate on December 31, 2023.

Note 9: The paid-in capital is translated from the investment amount (RMB 1,000 thousand) at 4.33 of exchange rate on December 31, 2023.

Note 10: The investee is reinvested through SMD PACKAGING L.L.C.

Note 11: The investee is reinvested through the earnings of the Company's investee, LASER TEK INTERNATIONAL CO., LTD. The Company did not actually remit funds.

Note 12: The investee is reinvested through the funds of the Company's investee in Mainland China, LASER TEK (SUZHOU) CO., LTD. The Company did not actually remit funds.

LASER TEK TAIWAN CO., LTD.

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Year ended December 31, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

	Sales (Notes 1 and 2)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2023	%	Balance at December 31, 2023	Purpose	Maximum balance during the year ended December 31, 2023	Balance at December 31, 2023	Interest rate	Interest during the year ended December 31, 2023	Others
Prolaser (Shanghai) Trading CO., Ltd.	$ 4,173	-	$ -	-	$ -	-	$ -	-	Note 3	Note 3	Note 3	Note 3	

Note 1: The prices and collection terms of the abovementioned sales were determined in accordance with mutual agreement.
Note 2: There was no significant unrealised gains or losses arising from the abovementioned transactions at December 31, 2023.
Note 3: Details of financing are provided in Note 13(1) table 1.

LASER TEK TAIWAN CO., LTD.

Major shareholders information

December 31, 2023

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
PU LEI SHIH Investment CO., Ltd.	6,186,326	7.76%

(1) The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.
The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference of calculation basis.

(2) If the aforementioned data contains shares which were kept in the trust by the shareholders, the data was disclosed as a separate account of the client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio was greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio included the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information on reported share equity of insiders, please refer to the Market Observation Post System.

LaserTek Taiwan Co., Ltd.

Chairman CHENG, TSAI-HSIN