

Silitech Technology Corporation
2023 Annual General Shareholders' Meeting Minutes
(Translation)

Time: 9:30 a.m., June 14, 2023

Location: No. 73, Kuirou Shan Rd., Tamsui Dist., New Taipei City

Meeting type: physical meeting

Attending shareholders and proxy representing:

43,558,896 shares (among them, 480,768 shares voted via electronic transmission), which accounts for 64.05% of total 68,000,000 outstanding shares.

Director attendees: Chin-Hui Chen, Tien-Chun Tsai (Independent Director and Convener of the Audit Committee), and Ben Chi (Independent Director)

Non-shareholding attendees:

Deloitte & Touche, Yen-Chun Chen, CPA

Chairperson: Chin-Hui Chen (Acting)

Recorder: Lillian Chen

I. Chairperson Calls Meeting to Order

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairperson called the meeting to order.

II. Opening Remarks by the Chairperson (omitted)

III. Reported Matters

- i. 2022 Business Report (No questions raised by the shareholders. Please refer to Attachment 1)
- ii. Audit Committee's Review Report (No questions raised by the shareholders. Please refer to Attachment 2~4)
- iii. Employees and Directors Compensation for 2022 (No questions raised by the shareholders. Please refer to Handbook)
- iv. Amendment to "Regulation and Procedure for Board of Directors Meetings" (No questions raised by the shareholders. Please refer to Attachment 5)

IV. Acknowledged Matters

i. Proposal: Adoption of 2022 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanation:

1. 2022 financial statements have been audited by Certified Public Accountants Yen-Chun Chen and Meng-Chieh Chiu of Deloitte & Touche and were discussed and resolved in the Board of Directors meeting convened on February 23, 2023.
2. The aforementioned financial statements and business report have been duly reviewed by the Audit Committee.
3. Please refer to Attachment 1 for 2022 Business Report.
4. Please refer to Attachment 2 & Attachment 3 for 2022 Financial Statements.
5. Please proceed to adopt.

Resolution:

No questions raised by the shareholders. The proposal was approved. The total votes were 43,558,896 votes and the voting results were as follows.

Items	Voting results (including voted via electronic transmission)
Approval votes	43,476,476 votes Percentage of total votes 99.81 %
Disapproval votes	8,809 votes
Abstention votes/no votes	73,611 votes
Invalid votes	0 votes

ii. Proposal: Adoption of the Proposal for Appropriation of 2022 Earnings (Proposed by the Board of Directors)

Explanation:

1. In Fiscal Year 2022, the Company made a net profit of NT\$100,229,728. By adding the beginning balance of unappropriated retained earnings and adjustments on re-measurement on define benefit plans recognized in retained earnings, setting aside for legal reserve and adding the reversal of special reserve appropriated by law, total distributable retained earnings for the year amounted to NT\$207,578,588.
2. Pursuant to above mentioned, the 2022 retained earnings distributed to shareholders in cash dividends amounted to NT\$40,800,000 (NT\$0.6 per share), total unappropriated retained earnings for the year end amounted to NT\$166,778,588. The distribution of the cash dividends shall be rounded down to the nearest New Taiwan Dollar. The aggregate of the remaining cash will be credited to other income by the Company. Please refer to Attachment 6 for the Statement of Earnings Distribution.
3. In the event that the number of the Company shares is changed, thereby affecting the outstanding shares and then causing the proposed profit distribution per share to change, it is proposed that Annual Shareholders' Meeting fully authorize Chairman to manage and adjust it.
4. Upon the approval of the Annual Shareholders' Meeting, it is proposed that Chairman be authorized to determine the ex-dividend date, distribution date, and other relevant issues as well as announcement by law.
5. Please proceed to adopt.

Resolution:

No questions raised by the shareholders. The proposal was approved. The total votes were 43,558,896 votes and the voting results were as follows.

Items	Voting results (including voted via electronic transmission)
Approval votes	43,436,573 votes Percentage of total votes 99.71 %
Disapproval votes	48,813 votes
Abstention votes/no votes	73,510 votes
Invalid votes	0 votes

V. Matters for Discussion

Proposal: Discuss to Release of Directors from Non-competition Restrictions, please discuss and resolve. (Proposed by the Board of Directors)

Explanation:

1. This is handled in accordance with Article 209 of the Company Act that “A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
2. In view of the diversification needs of the Company and those directors might does anything for himself or on behalf of another person that is within the scope of the Company's business, to cope with the actual needs, it is proposed to the shareholders' meeting to release the additional non-competition restrictions on directors with the premise that directors do not have conflicts of the Company's interest.
3. Please refer to Attachment 7 for the details of release of directors from additional non-competition restrictions.
4. Please discuss and resolve.

Resolution:

No questions raised by the shareholders. The proposal was approved. The total votes were 26,558,896 votes and the voting results were as follows.

Items	Voting results (including voted via electronic transmission)
Approval votes	26,462,942 votes Percentage of total votes 99.63 %
Disapproval votes	19,833 votes
Abstention votes/no votes	76,121 votes
Invalid votes	0 votes

Note: After deducting 17,000,000 votes of shareholders who recuse themselves from voting.

VI. Extemporary Motions: None.**VII. Adjournment**

The meeting was adjourned at 9:45 a.m.

(The minutes of this shareholders' meeting shall state only the main subject of the meeting; the content of the meeting shall still be subject to the audio and video record of the meeting.)

Attachment

Silitech Technology Corporation

Business Report

Silitech confronted severe challenges such as the Covid-19 pandemic, shortages in supply chain, Russia-Ukraine war and rising inflation in 2022, the resilience and operation adaptability of each factory has been enhanced and the results have been demonstrated. Taiwan factory increased the capacity of cross-industry products, deepened customer relationships and the operations have grown significantly; With cooperation with customers, Malaysia factory has demonstrated the flexibility and adaptability in production and operations during shortages in automotive electronic parts and has maintained stable growth in operations; In mainland China factory, after the capacity downsizing and under strict Covid-19 control, the adjusting production pace of has become more stable. Overall, Silitech refocused on Automotive Components and Mechanical Integration, and continued to enhance the competitive advantages in the automotive and 5G fields to expand the market.

Operating Result

In 2022, the Company's consolidated revenue was NT\$2.025 billion, an 11.5% increase from the previous year (NT\$1.816 billion). The Automotive Components accounted for 52.8% share of total revenue, including the steady profitable automotive interior components, and actively develop automotive interior glass and new technologies for automotive interior components. The Mechanical Integration contributed a 47.2% share of the total revenue, and the main products are wearable products, smart lock modules, netcom optical mechanism components, mobile phone keypads and gaming console products. In the first half of 2022, the demand of Taiwan factory for cross-industry product applications increased steadily. Due to the shortage of customers' electronic parts, the demand for Malaysia factory was not as expected. After the rapid response of each factory and the coordination with customers, both revenue and profit increased; in the second half of 2022, inventory adjustment problems which happened in many industries brought pressure on business momentum. Nevertheless, with the efforts of all employees and close cooperation with customers and supplier partners, Silitech did the best to reduce the negative impact and the operation still grew steadily. In 2022, the gross margin was 16.5%, an increase of 0.7pp year-over-year, and the operating profit of NT\$99.49 million, the result was net profit after tax of NT\$100 million and the earning per share is NT\$1.47.

Summing investments in R&D, Silitech not only evaluated possibilities for investing in new technologies, but also continued to upgrade our core competitiveness. Following the pulse of automotive industry and the transformation of manufacturing technology, Silitech invested in new manufacturing technologies for automotive components to enhance the competitiveness in automotive components market; and actively develop components that integrate optical, mechanical and electronic elements, as well as cross-industry applications to satisfy customer demand and align with market trends. In 2022, Silitech's R&D expenditures amounted to NT\$44.05 million, accounting for 2.2% of total revenue.

Future Outlook

Recently, the United States and Europe have simultaneously revised down their economic growth forecasts for 2023. The slowdown in global economic growth has become more and more obvious. However, because inflationary pressures are still high, central banks of various countries will still maintain a positive policy stance and strive to control inflation. The interest rates of major

economies are expected to peak in early 2023. According to the forecast of Chung-Hua Institution for Economic Research, the global economic growth rate in 2023 is expected to be lower than 2.0%, and Taiwan's economic growth rate is 2.72%. Major international institutions forecast that the global economic growth rate in 2023 will be slower than in 2022.

Looking forward to 2023, in the face of negative factors such as inflation and inventory adjustment, the visibility of related industries is limited in the short-term and the global demand is expected to become clearer in the second half. Nevertheless, Silitech will continue to adjust its global layout thinking, make use of the advantages of each factory, and fully utilize various types of resources without limitation to achieve synergy. In terms of sales and R&D, Silitech will continue its dedication to cross-industry application and provide customers with flexible services in preliminary product design, R&D and various solutions in pursuit of business momentum and application development in the field of Automotive Components and Mechanical Integration. In terms of production operation, in response to long-term planning, Silitech will increase its production capacity in Taiwan, Malaysia and even overseas, diversify the production capacity in different regions to meet the customer's business needs; optimize the management of supply chain, strength resource sharing among different factories, and continue to pursue automation production process and production flexibility to achieve operation synergy. Silitech will continue its management philosophy focusing on customer experience, product quality, and technological advancement in our progress towards sustainable development. Within the Company's corporate culture characterized by "integrity, respect, innovation, expertise, and excellence," all employee and management team continue using the spirit of organizational learning and teamwork to improve responsiveness and product competitiveness, to focus on intensifying and extending our core technologies and skills based on developing and producing precision components, while integrating industrial trends, to offer customers design and service that bring high added value. Through synergy brought by integration of production, sales and research, they robustly promote our developmental goals in terms of income and profit growth, thereby creating common prosperity for shareholders, employees, customers, and suppliers.

Chairman: Yu-Heng Chiao Manager: Areta Hsu Chief Accountant: Ronnie Chen

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Silitech Technology Corporation

Opinion

We have audited the accompanying consolidated financial statements of Silitech Technology Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the audit of the Group's consolidated financial statements for the year ended December 31, 2022 are described as follows:

Occurrence of revenue from specific customers

In recent year, the factory in Tamsui of the Group is in the stage of product transformation, of which the revenue from specific customers growth 50% over last year, the auditors assessed that the revenue

generated by this specific customers is an item of concern to users of financial statements. Therefore, we considered the occurrence of revenue from specific customers as a key audit matter.

The main audit procedures performed in respect of the occurrence of revenue from specific customers included the following:

1. We understood and tested the design and operating effectiveness of the internal controls relevant to revenue recognition.
2. We obtained the occurrence of recorded revenue from specific customers, determined the appropriate sampling method and sample quantity, and checked documents including customer orders, deliver orders and invoices. We assessed the amount is correct and has been eligible for revenue recognition.
3. We checked, on a sampling basis, the collection reversal records and collection vouchers, and assessed whether the amount is correct and the payer is the same as the buyer, to corroborate the authenticity of sale.
4. We calculated and analyzed whether the account receivable turnover days of specific customers are reasonable, and compared the general credit conditions to see if there is any significant abnormality.

For the accounting policy on revenue recognition refer to Note 4 to the financial statements.

Other Matter

We have also audited the parent company only financial statements of Silitech Technology Corporation as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards accepted in 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 auditing standards accepted in 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the 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 for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2023

Notice to Readers

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

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

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,635,623	50	\$ 1,491,671	48
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	2,583	-	110,739	4
Notes receivable, net	-	-	738	-
Trade receivables, net (Notes 4 and 10)	418,051	13	399,387	13
Trade receivables from related parties, net (Notes 4 and 27)	1,349	-	4,297	-
Other receivables (Note 4)	27,251	1	18,502	1
Other receivables from related parties (Notes 4 and 27)	11,354	-	3,588	-
Current tax assets (Note 4)	4	-	-	-
Inventories (Notes 4 and 11)	251,957	8	234,894	8
Other current assets (Note 15)	42,610	1	42,482	1
Total current assets	2,390,782	73	2,306,298	75
NON-CURRENT ASSETS				
Financial assets at FVTPL - non-current (Notes 4 and 7)	17,962	1	25,317	1
Financial assets at fair value through other comprehensive income (FVTOCI)-non-current (Notes 4 and 8)	45,064	1	45,780	1
Financial assets at amortized cost - non-current (Notes 4 and 9)	328,673	10	299,684	10
Property, plant and equipment (Notes 4 and 13)	344,520	11	220,394	7
Right-of-use assets (Notes 4 and 14)	23,838	1	46,924	2
Other Intangible assets (Note 4)	7,084	-	8,203	-
Deferred tax assets (Notes 4 and 22)	88,812	3	117,331	4
Refundable deposits (Note 4)	6,449	-	6,344	-
Other non-current assets (Note 15)	5,120	-	4,468	-
Total non-current assets	867,522	27	774,445	25
TOTAL	\$ 3,258,304	100	\$ 3,080,743	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	\$ 12	-	\$ -	-
Trade payables (Note 4)	210,529	7	249,836	8
Trade payables to related parties (Note 27)	24,856	1	8,399	-
Other payables (Notes 4 and 16)	269,620	8	237,641	8
Other payables to related parties (Notes 4 and 27)	2,547	-	2,396	-
Current tax liabilities (Notes 4 and 22)	13,026	-	10,707	-
Provisions - current (Notes 4 and 17)	23,550	1	20,011	1
Lease liabilities - current (Notes 4 and 14)	26,955	1	25,281	1
Other current liabilities	41,559	1	35,870	1
Total current liabilities	612,654	19	590,141	19
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4 and 14)	-	-	26,530	1
Net defined benefit liabilities - non-current (Notes 4 and 18)	31,848	1	36,719	1
Guarantee deposits (Note 4)	1,220	-	1,200	-
Deferred tax liabilities (Notes 4 and 22)	36,163	1	35,955	1
Total non-current liabilities	69,231	2	100,404	3
Total liabilities	681,885	21	690,545	22
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 19)				
Share capital				
Ordinary shares	680,000	21	680,000	22
Capital surplus	630,074	19	630,074	21
Retained earnings				
Legal reserve	1,109,766	34	1,109,766	36
Special reserve	316,814	10	284,510	9
Unappropriated earnings	108,230	2	66,475	2
Total retained earnings	1,534,810	47	1,460,751	47
Other equity	(268,465)	(8)	(380,627)	(12)
Total equity	2,576,419	79	2,390,198	78
TOTAL	\$ 3,258,304	100	\$ 3,080,743	100

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

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20 and 27)	\$ 2,025,009	100	\$ 1,815,926	100
COST OF GOODS SOLD (Notes 11, 24 and 27)	<u>(1,690,831)</u>	<u>(83)</u>	<u>(1,529,867)</u>	<u>(84)</u>
GROSS PROFIT	<u>334,178</u>	<u>17</u>	<u>286,059</u>	<u>16</u>
OPERATING EXPENSES (Notes 24 and 27)				
Selling and marketing expenses	(61,595)	(3)	(64,194)	(4)
General and administrative expenses	(129,027)	(7)	(122,387)	(7)
Research and development expenses	(44,053)	(2)	(42,329)	(2)
Expected credit (loss) reversal	<u>(10)</u>	<u>-</u>	<u>160</u>	<u>-</u>
Total operating expenses	<u>(234,685)</u>	<u>(12)</u>	<u>(228,750)</u>	<u>(13)</u>
PROFIT FROM OPERATIONS	<u>99,493</u>	<u>5</u>	<u>57,309</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 27)				
Interest income	26,382	1	15,650	1
Other income	20,290	1	21,212	1
Other gains and losses	(9,510)	-	(1,626)	-
Finance costs	<u>(2,000)</u>	<u>-</u>	<u>(3,131)</u>	<u>-</u>
Total non-operating income and expenses	<u>35,162</u>	<u>2</u>	<u>32,105</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	134,655	7	89,414	5
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(34,425)</u>	<u>(2)</u>	<u>(27,588)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>100,230</u>	<u>5</u>	<u>61,826</u>	<u>3</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	7,342	-	5,900	1
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(716)	-	481	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 22)	<u>(1,553)</u>	<u>-</u>	<u>(1,251)</u>	<u>-</u>
	<u>5,073</u>	<u>-</u>	<u>5,130</u>	<u>1</u>

(Continued)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	141,097	7	(40,982)	(2)
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 22)	<u>(28,219)</u>	<u>(1)</u>	<u>8,196</u>	<u>-</u>
	<u>112,878</u>	<u>6</u>	<u>(32,786)</u>	<u>(2)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>117,951</u>	<u>6</u>	<u>(27,656)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 218,181</u>	<u>11</u>	<u>\$ 34,170</u>	<u>2</u>
EARNINGS PER SHARE (IN NTD; Note 23)				
Basic	<u>\$ 1.47</u>		<u>\$ 0.94</u>	
Diluted	<u>\$ 1.47</u>		<u>\$ 0.93</u>	

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

(Concluded)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Share Capital		Capital Surplus	Retained Earnings			Other Equity		Total Equity
	Ordinary Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	
BALANCE AT JANUARY 1, 2021	60,000	\$ 600,000	\$ 507,154	\$ 1,109,766	\$ 284,510	\$ (61,080)	\$ (205,756)	\$ (142,566)	\$ 2,092,028
Issue of shares for cash	8,000	80,000	184,000	-	-	-	-	-	264,000
Capital surplus used to cover accumulated deficit	-	-	(61,080)	-	-	61,080	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	-	61,826	-	-	61,826
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	4,649	(32,786)	481	(27,656)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	66,475	(32,786)	481	34,170
BALANCE AT DECEMBER 31, 2021	68,000	680,000	630,074	1,109,766	284,510	66,475	(238,542)	(142,085)	2,390,198
Appropriation of the 2021 earnings									
Special reserve	-	-	-	-	32,304	(32,304)	-	-	-
Cash dividends	-	-	-	-	-	(31,960)	-	-	(31,960)
Net profit for the year ended December 31, 2022	-	-	-	-	-	100,230	-	-	100,230
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	5,789	112,878	(716)	117,951
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	106,019	112,878	(716)	218,181
BALANCE AT DECEMBER 31, 2022	68,000	\$ 680,000	\$ 630,074	\$ 1,109,766	\$ 316,814	\$ 108,230	\$ (125,664)	\$ (142,801)	\$ 2,576,419

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

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 134,655	\$ 89,414
Adjustments for:		
Depreciation expense	80,943	81,309
Amortization expense	4,120	2,717
Expected credit loss (reversal) on trade receivables	10	(160)
Net loss (gain) on fair value changes of financial assets at FVTPL	11,141	(195)
Finance costs	2,000	3,131
Interest income	(26,382)	(15,650)
Dividend income	(3,497)	(1,891)
Net gain on disposal of property, plant and equipment	(52)	(124)
Write-downs of inventories	1,643	1,459
Changes in operating assets and liabilities		
Financial assets at FVTPL	(4,406)	1,876
Notes receivable	738	(573)
Trade receivables	(18,674)	7,919
Trade receivables from related parties	2,948	11,096
Other receivables	(13,613)	10,733
Other receivables from related parties	(7,766)	(3,489)
Inventories	(18,706)	(38,184)
Other current assets	(128)	8,422
Trade payables	(39,307)	(59,415)
Trade payables to related parties	16,457	8,399
Other payables	34,223	(20,693)
Other payables to related parties	151	2,210
Provisions	3,539	12,166
Other current liabilities	5,689	15,422
Net defined benefit liabilities-non current	2,472	(17,388)
Cash generated from operations	168,198	98,511
Interest received	35,044	21,974
Dividends received	3,497	1,891
Interest paid	(2,000)	(3,131)
Income tax paid	(31,893)	(34,233)
Net cash generated from operating activities	172,846	85,012
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial asset at FVTOCI	-	(38,400)
Purchase of financial assets at amortized cost	-	(302,570)
Purchase of financial asset at FVTPL	-	(111,564)
Proceeds of financial assets at FVTPL	119,270	-

(Continued)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Payments for property, plant and equipment	\$ (174,527)	\$ (47,417)
Proceeds from disposal of property, plant and equipment	52	1,150
Increase in refundable deposits	(105)	(4,446)
Payments for intangible assets	<u>(2,200)</u>	<u>(8,594)</u>
Net cash used in investing activities	<u>(57,510)</u>	<u>(511,841)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of principal portion of lease liabilities	(24,784)	(24,029)
Cash dividends paid	(31,960)	-
Proceeds from issuing shares for cash	-	264,000
Proceeds from guarantee deposits received	<u>20</u>	<u>434</u>
Net cash (used in) generated from financing activities	<u>(56,724)</u>	<u>240,405</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>85,340</u>	<u>(28,229)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	143,952	(214,653)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,491,671</u>	<u>1,706,324</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,635,623</u>	<u>\$ 1,491,671</u>

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Silitech Technology Corporation

Opinion

We have audited the accompanying financial statements of Silitech Technology Corporation (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the audit of the Company's financial statements for the year ended December 31, 2022 are described as follows:

Occurrence of revenue from specific customers

In recent year, the factory in Tamsui of the Company is in the stage of product transformation, of which the revenue from specific customers growth 50% over last year, the auditors assessed that the revenue generated by this specific customers is an item of concern to users of financial statements. Therefore, we considered the occurrence of revenue from specific customers as a key audit matter.

The main audit procedures performed in respect of the occurrence of revenue from specific customers included the following:

1. We understood and tested the design and operating effectiveness of the internal controls relevant to revenue recognition.
2. We obtained the occurrence of recorded revenue from specific customers, determined the appropriate sampling method and sample quantity, and checked documents including customer orders, deliver orders and invoices. We assessed the amount is correct and has been eligible for revenue recognition.
3. We checked, on a sampling basis, the collection reversal records and collection vouchers, and assessed whether the amount is correct and the payer is the same as the buyer, to corroborate the authenticity of sale.
4. We calculated and analyzed whether the account receivable turnover days of specific customers are reasonable, and compared the general credit conditions to see if there is any significant abnormality.

For the accounting policy on revenue recognition refer to Note 4 to the financial statements.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 auditing standards accepted in 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 financial statements.

As part of an audit in accordance with the auditing standards accepted in 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2023

Notice to Readers

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

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

SILITECH TECHNOLOGY CORPORATION

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 440,163	15	\$ 406,236	15
Notes receivable, net (Notes 4)	-	-	738	-
Trade receivables, net (Notes 4 and 8)	134,206	5	139,741	5
Trade receivables from related parties, net (Notes 4, 8 and 23)	13,329	1	16,136	1
Other receivables (Note 4)	9,335	-	4,026	-
Other receivables from related parties (Notes 4 and 23)	12,645	-	5,238	-
Current tax assets (Note 4)	4	-	-	-
Inventories (Notes 4 and 9)	87,930	3	93,155	4
Other current assets	<u>20,042</u>	<u>1</u>	<u>18,586</u>	<u>1</u>
Total current assets	<u>717,654</u>	<u>25</u>	<u>683,856</u>	<u>26</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 7)	45,064	2	45,780	2
Investments accounted for using the equity method (Notes 4 and 10)	1,981,420	69	1,764,777	66
Property, plant and equipment (Notes 4 and 11)	57,772	2	68,018	2
Other Intangible assets (Note 4)	4,699	-	5,149	-
Deferred tax assets (Notes 4 and 18)	59,877	2	96,050	4
Refundable deposits (Note 4)	175	-	175	-
Other non-current assets	<u>1,260</u>	<u>-</u>	<u>1,264</u>	<u>-</u>
Total non-current assets	<u>2,150,267</u>	<u>75</u>	<u>1,981,213</u>	<u>74</u>
TOTAL	<u>\$ 2,867,921</u>	<u>100</u>	<u>\$ 2,665,069</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables (Note 4)	\$ 84,027	3	\$ 104,049	4
Trade payables to related parties (Notes 4 and 23)	47,120	2	30,364	1
Other payables (Notes 4 and 13)	100,909	4	81,247	3
Other payables to related parties (Notes 4 and 23)	2,547	-	2,396	-
Provisions- current	2,757	-	1,210	-
Other current liabilities	<u>9,124</u>	<u>-</u>	<u>5,626</u>	<u>-</u>
Total current liabilities	<u>246,484</u>	<u>9</u>	<u>224,892</u>	<u>8</u>
NON-CURRENT LIABILITIES				
Net defined benefit liabilities - non-current (Notes 4 and 14)	8,855	-	14,024	1
Deferred tax liabilities (Notes 4 and 18)	<u>36,163</u>	<u>1</u>	<u>35,955</u>	<u>1</u>
Total non-current liabilities	<u>45,018</u>	<u>1</u>	<u>49,979</u>	<u>2</u>
Total liabilities	<u>291,502</u>	<u>10</u>	<u>274,871</u>	<u>10</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 15)				
Share capital				
Ordinary shares	<u>680,000</u>	<u>24</u>	<u>680,000</u>	<u>25</u>
Capital surplus	<u>630,074</u>	<u>22</u>	<u>630,074</u>	<u>24</u>
Retained earnings				
Legal reserve	1,109,766	38	1,109,766	42
Special reserve	316,814	11	284,510	11
Unappropriated earnings	<u>108,230</u>	<u>4</u>	<u>66,475</u>	<u>2</u>
Total retained earnings	<u>1,534,810</u>	<u>53</u>	<u>1,460,751</u>	<u>55</u>
Other equity	<u>(268,465)</u>	<u>(9)</u>	<u>(380,627)</u>	<u>(14)</u>
Total equity	<u>2,576,419</u>	<u>90</u>	<u>2,390,198</u>	<u>90</u>
TOTAL	<u>\$ 2,867,921</u>	<u>100</u>	<u>\$ 2,665,069</u>	<u>100</u>

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

SILITECH TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 16 and 23)	\$ 918,065	100	\$ 705,077	100
COST OF GOODS SOLD (Notes 9, 20 and 23)	<u>(764,974)</u>	<u>(83)</u>	<u>(581,349)</u>	<u>(82)</u>
GROSS PROFIT	153,091	17	123,728	18
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	(397)	-	(94)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>94</u>	<u>-</u>	<u>58</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>152,788</u>	<u>17</u>	<u>123,692</u>	<u>18</u>
OPERATING EXPENSES (Notes 20 and 23)				
Selling and marketing expenses	(23,638)	(3)	(25,856)	(4)
General and administrative expenses	(91,310)	(10)	(86,293)	(12)
Research and development expenses	(22,825)	(2)	(22,420)	(3)
Expected credit reversal	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Total operating expenses	<u>(137,773)</u>	<u>(15)</u>	<u>(134,568)</u>	<u>(19)</u>
PROFIT (LOSS) FROM OPERATIONS	<u>15,015</u>	<u>2</u>	<u>(10,876)</u>	<u>(1)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 17 and 23)				
Interest income	2,286	-	1,135	-
Other income	6,560	1	10,384	1
Other gains and losses	9,258	1	(3,558)	-
Share of profit or loss of subsidiaries and associates	<u>74,230</u>	<u>8</u>	<u>65,656</u>	<u>9</u>
Total non-operating income and expenses	<u>92,334</u>	<u>10</u>	<u>73,617</u>	<u>10</u>
PROFIT BEFORE INCOME TAX	107,349	12	62,741	9
INCOME TAX EXPENSE (Notes 4 and 18)	<u>(7,119)</u>	<u>(1)</u>	<u>(915)</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>100,230</u>	<u>11</u>	<u>61,826</u>	<u>9</u>

(Continued)

SILITECH TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 5,213	1	\$ 4,112	1
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(716)	-	481	-
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	1,619	-	1,359	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 18)	<u>(1,043)</u>	<u>-</u>	<u>(822)</u>	<u>-</u>
	<u>5,073</u>	<u>1</u>	<u>5,130</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	141,097	15	(40,982)	(6)
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 18)	<u>(28,219)</u>	<u>(3)</u>	<u>8,196</u>	<u>1</u>
	<u>112,878</u>	<u>12</u>	<u>(32,786)</u>	<u>(5)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>117,951</u>	<u>13</u>	<u>(27,656)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 218,181</u>	<u>24</u>	<u>\$ 34,170</u>	<u>5</u>
EARNINGS PER SHARE (IN NTD; Note 19)				
Basic	<u>\$ 1.47</u>		<u>\$ 0.94</u>	
Diluted	<u>\$ 1.47</u>		<u>\$ 0.93</u>	

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

(Concluded)

SILITECH TECHNOLOGY CORPORATION

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Share Capital		Capital Surplus	Retained Earnings			Other Equity		Total Equity
	Ordinary Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	
BALANCE AT JANUARY 1, 2021	60,000	\$ 600,000	\$ 507,154	\$ 1,109,766	\$ 284,510	\$ (61,080)	\$ (205,756)	\$ (142,566)	\$ 2,092,028
Issue of shares for cash	8,000	80,000	184,000	-	-	-	-	-	264,000
Capital surplus used to cover accumulated deficit	-	-	(61,080)	-	-	61,080	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	-	61,826	-	-	61,826
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	4,649	(32,786)	481	(27,656)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	66,475	(32,786)	481	34,170
BALANCE AT DECEMBER 31, 2021	68,000	680,000	630,074	1,109,766	284,510	66,475	(238,542)	(142,085)	2,390,198
Appropriation of the 2021 earnings									
Special reserve	-	-	-	-	32,304	(32,304)	-	-	-
Cash dividends	-	-	-	-	-	(31,960)	-	-	(31,960)
Net profit for the year ended December 31, 2022	-	-	-	-	-	100,230	-	-	100,230
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	5,789	112,878	(716)	117,951
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	106,019	112,878	(716)	218,181
BALANCE AT DECEMBER 31, 2022	68,000	\$ 680,000	\$ 630,074	\$ 1,109,766	\$ 316,814	\$ 108,230	\$ (125,664)	\$ (142,801)	\$ 2,576,419

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

SILITECH TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 107,349	\$ 62,741
Adjustments for:		
Depreciation expense	16,783	16,035
Amortization expense	2,824	2,101
Expected credit reversal on trade receivables	-	(1)
Net gain on fair value change of financial assets at FVTPL	-	(155)
Interest income	(2,286)	(1,135)
Dividend income	(211)	-
Share of profit of subsidiaries and associates	(74,230)	(65,656)
Net gain on disposal of property, plant and equipment	(52)	(124)
Write-downs of inventories	550	1,123
Unrealized gain on the transactions with subsidiaries	303	36
Changes in operating assets and liabilities		
Financial assets as at FVTPL	-	(190)
Notes receivable	738	(573)
Trade receivables	5,535	(33,850)
Trade receivables from related parties	2,807	2,410
Other receivables	(5,286)	156
Other receivables from related parties	(7,407)	(4,623)
Inventories	4,675	(13,933)
Other current assets	(1,456)	(612)
Trade payables	(20,022)	(32,606)
Trade payables to related parties	16,756	15,693
Other payables	20,603	1,725
Other payables to related parties	151	1,667
Provisions	1,547	1,210
Other current liabilities	3,498	559
Net defined benefit liabilities-non current	44	(16,994)
Cash generated from (used in) operations	73,213	(64,996)
Interest received	2,259	1,059
Dividends received	211	-
Net cash generated from (used in) operating activities	<u>75,683</u>	<u>(63,937)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial asset at FVTOCI	-	(38,400)
Payments for property, plant and equipment	(7,974)	(17,566)
Proceeds from disposal of property, plant and equipment	52	1,150
Payments for intangible assets	<u>(1,874)</u>	<u>(5,090)</u>
Net cash used in investing activities	<u>(9,796)</u>	<u>(59,906)</u>

(Continued)

SILITECH TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	\$ (31,960)	\$ -
Proceeds from issuing shares for cash	<u>-</u>	<u>264,000</u>
Net cash (used in) generated from financing activities	<u>(31,960)</u>	<u>264,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,927	140,157
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>406,236</u>	<u>266,079</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 440,163</u>	<u>\$ 406,236</u>

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

(Concluded)

Audit Committee's Review Report

To: The 2023 Annual General Shareholders' Meeting of Silitech Technology Corporation

The Board of Directors has prepared and submitted to the undersigned, Audit Committee of Silitech Technology Corporation the 2022 Business Report, Financial Statements and the proposal for appropriation of earnings. The Financial Statements have been duly audited by Certified Public Accountants Yen-Chun Chen and Meng-Chieh Chiu of Deloitte & Touche. The above Business Report, Financial Statements and the proposal for appropriation of earnings have been examined and determined to be correct by the undersigned. This Report is duly submitted in accordance with Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act.

Convener of the Audit Committee:

Mr. Tien-Chun Tsai

May 02, 2023

Silitech Technology Corporation
Comparison Table of Amendments to “Regulation and Procedure for Board of Directors Meetings”

After Amendment	Before Amendment	Note
<p>Article 3</p> <p>The board of directors shall meet at least quarterly.</p> <p>A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.</p> <p>The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.</p> <p>The Company’s directors shall be offered proper and timely information, whose form and quality shall be sufficient to enable the directors to make decisions with sufficient access to relevant information and to perform their duties.</p>	<p>Article 3</p> <p>The board of directors shall meet at least quarterly.</p> <p>A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.</p> <p>The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion <u>except in the case of an emergency or for other legitimate reason.</u></p> <p>The Company’s directors shall be offered proper and timely information, whose form and quality shall be sufficient to enable the directors to make decisions with sufficient access to relevant information and to perform their duties.</p>	<p>In compliance with the amendment of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>
<p>Article 12</p> <p>The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:</p> <p>A. the Company’s business plan.</p> <p>B. Financial reports which are signed</p>	<p>Article 12</p> <p>The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:</p> <p>A. the Company’s business plan.</p> <p>B. Financial reports which are signed</p>	<p>In compliance with the amendment of the Regulations Governing Procedure for</p>

After Amendment	Before Amendment	Note
<p>or sealed by the chairperson, managerial officer, and accounting officer.</p> <p>C. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system.</p> <p>D. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>E. The offering, issuance, or private placement of equity-type securities.</p> <p>F. <u>If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.</u></p> <p><u>G.</u> The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p><u>H.</u> The hiring or dismissal of an attesting CPA, or the compensation given thereto.</p> <p><u>I.</u> A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p><u>J.</u> Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a</p>	<p>or sealed by the chairperson, managerial officer, and accounting officer.</p> <p>C. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system.</p> <p>D. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>E. The offering, issuance, or private placement of equity-type securities.</p> <p>F. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>G. The hiring or dismissal of an attesting CPA, or the compensation given thereto.</p> <p>H. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>I. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a</p>	<p>Board of Directors Meetings of Public Companies. .</p>

After Amendment	Before Amendment	Note
<p>shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term “related party” in Subparagraph <u>I</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD 100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened.</p> <p>Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. Each meeting of the Company’s board of directors shall be attended by at least one independent director in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under Paragraph 1, all independent directors shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy, and may</p>	<p>shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term “related party” in Subparagraph H of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD 100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened.</p> <p>Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. Each meeting of the Company’s board of directors shall be attended by at least one independent director in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under Paragraph 1, all independent directors shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy, and may</p>	

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<p>not be represented by a non-independent director via proxy. If an independent director expresses an objection or reservation, the matter shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	<p>not be represented by a non-independent director via proxy. If an independent director expresses an objection or reservation, the matter shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	
<p>Article 22 These Rules were established on December 20, 2006. The 1st amendment was made on April 25, 2008. The 2nd amendment was made on April 27, 2010. The 3rd amendment was made on April 26, 2012 and implemented by the 5th board of directors on June 22, 2012. The 4th amendment was made on October 25, 2012. The 5th amendment was made on March 24, 2015. The 6th amendment was made on October 26, 2017. The 7th amendment was made on April 25, 2019. The 8th amendment was made on April 24, 2020. <u>The 9th amendment was made on January 17, 2023.</u></p>	<p>Article 22 These Rules were established on December 20, 2006. The 1st amendment was made on April 25, 2008. The 2nd amendment was made on April 27, 2010. The 3rd amendment was made on April 26, 2012 and implemented by the 5th board of directors on June 22, 2012. The 4th amendment was made on October 25, 2012. The 5th amendment was made on March 24, 2015. The 6th amendment was made on October 26, 2017. The 7th amendment was made on April 25, 2019. The 8th amendment was made on April 24, 2020.</p>	<p>Added the date of amendment.</p>

Silitech Technology Corporation
Statement of Earnings Distribution
Year 2022

		Unit : NTD
		Amount
Description		
Unappropriated retained earnings, beginning of year		\$ 2,210,223
Net profit after income tax		100,229,728
Adjustments on re-measurement on define benefit plans recognized in retained earnings		5,788,920
Legal reserve		(10,601,865)
Reversal of special reserve appropriated by law		109,951,582
Distributable retained earnings		207,578,588
Less : Distribution		
Cash dividends (NT\$0.60/per share)		(40,800,000)
Unappropriated retained earnings, end of year		\$ 166,778,588

Chairman: Yu-Heng Chiao

Manager: Areta Hsu

Chief Accountant: Ronnie Chen

Silitech Technology Corporation

Details of Release of Directors from Additional Non-competition Restrictions

Identity	Name	Company Name	Position
Director	Yu-Heng Chiao	Career Technology (MFG.) Co., Ltd.	Chairman, representative and General CSO
		Soshin Electric Co., Ltd.	Director
Director	Walsin Technology Corporation	Walton Advanced Engineering, Inc.	Director