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2023 Annual Report

Sunplus Technology Co., Ltd.

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PLEASE READ FOLLOWING NOTICE BEFORE USING THIS REPORT

Readers are advised that the original version of the report is in Chinese. If there is any conflict between these financial statements and the Chinese version or any difference in the interpretation of the two versions, the Chinese-language report shall prevail.

Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

The materials and information provided on this report have been issued by Sunplus and are posted solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any securities issued by us or otherwise.

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2023 Annual Report
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I. LETTER TO SHAREHOLDERS

BUSINESS REPORT

2023 Business Results

Sunplus consolidated net operating revenue totaled NT\$5,535 million and the gross profit were NT\$2,524 million in 2023. While R&D expense totaled NT\$2,140 million and the G&A expenses were NT\$512 million, marketing expense were NT\$218 million, The operating net loss amounted to NT\$247 million in 2023. Including total non-operating net income NT\$161 million, The pre-tax net loss amounted to NT\$86 million. Excluding the income tax expense NT\$135 million, Net loss after tax of the year totaled NT\$221 million, The net loss attributable to owner of the Company were NT\$493 million which the loss per share after tax for 2023 was NT\$0.84.

The consolidated net sales in 2023 decreased 17.45% compared to the same period last year. Gross profit margin is approximately 46%, decreased from 49% in the previous year. The operating net loss for 2023 amounted to NT\$247 million, compared to an operating net profit of NT\$288 million in 2022, representing an increase in loss of 185.92%.

Non-operating revenue decreased from 594 million in 2022 to 161 million in 2023, mainly because decrease in equity method company profits in 2023 compared to 2022 was a reduction of NT\$449 million due to disposal.

The IFRS Consolidated Statement exposes other comprehensive gains and losses in 2023, Including the difference between the conversion of financial statements of foreign operating institutions, unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income, determine the number of reassessments of the welfare plan, the shareholding of related enterprises recognized by equity method, the total net after-tax other comprehensive profit and loss in 2023 is NT\$88 million. The total comprehensive loss in 2023 was NT\$134 million, the comprehensive loss was attributed to NT\$404 million by the owner of the Company.

Product Research and Development and the Company's Business Plan

Sunplus technology focuses on the development of automotive chips and intelligent surround audio chips. Automotive chips include Intelligent Cockpit (IVI, Display Audio), Advanced Driver Assistance Systems (AVM, DMS, ADAS), In-Car Acoustics (Auto-EQ, EC/NR), while intelligent surround audio chips encompass products such as Soundbar, Gaming Soundbar, Party Speaker, and Speakerphone. In addition to the aforementioned categories and chip products for entertainment systems, it also introduces the smart computing chip Plus1 suitable for AIoT applications. It also provides IP authorization for high-speed interfaces, data converters, and analogs.

In addition to the In-Vehicle Infotainment (IVI) systems, Sunplus has also introduced products that integrate IVI with dashboard and IVI with Advanced Driver Assistance Systems (ADAS) to enhance the functionality and value of automotive products. In the SoundBar product line, besides incorporating Bluetooth wireless transmission, Sunplus is also actively promoting PC/Gaming Soundbar. The sales growth of these new products will be the main driver of revenue and profit growth for Sunplus.

The intelligent computing chip, Plus1, significantly reduces the development threshold for Edge Computing applications. The chip, developed on a 12-nanometer process and equipped with AI capabilities, will be the optimal solution for small-scale, diverse AIoT startup applications. Many innovative applications will be commercialized to benefit the public.

The main product lines of Generalplus include: Consumer IC, Multimedia IC, and MCU. In terms of consumer IC, we have developed a new generation 4-bit Reduced Instruction Set CPU voice synthesis control IC and a 16-bit voice microcontroller signal processor IC, providing customers with cost-effective voice/music synthesis solutions. In the multimedia product area, we have developed a 22-nanometer 32-bit high-end multimedia open application platform SoC, incorporating Cortex-A7 CPU, 3D GPU, next-generation deep learning engine, high-speed audio and video interfaces, etc., to assist customers in developing various audio and video applications such as human-machine interface platforms and edge computing platforms. In the MCU product area, we have developed a 55-nanometer 32-bit Flash MCU, incorporating high-bandwidth operational amplifiers and high-speed digital-to-analog converter IPs, providing cost-effective MCU solutions.

82% of Sunplus Innovation Technology sales in 2023 come from PC-related cameras, and the other 18% of sales come from USB external cameras, driving pulls, high-speed cameras, and IoT-related. In the current market with uncertain visibility, we will continue to enhance the efficiency of our technical research and product development while persistently deepening our presence in the AI machine vision field.

Subsidiaries in China include Shanghai Sunplus, Sunplus Prof-tek Technology (Shenzhen), Sunmedia, CQPlus1 (Chongqing), Sunplus-EHUE and Sunplus APP. Mainly to support the Company's mainland customers in the Company's engineering services and business promotion.

External Competition, Regulations, and Macroeconomic Environment Impact

Looking back at 2023, influenced by global inflation, the US-China trade war, geopolitical tensions, and China's economic downturn, market consumer demand fell short of expectations, leading Sunplus to incur its first loss in many years amidst this significant upheaval. Faced with these challenges, apart from continuously offering customers more cost-effective products to clear inventory, we are also persistently investing in research and development resources. The group company will continue to invest in technology and product development, accelerating the pace of developing new products and applications to adapt to market competition and establish a competitive edge.

Looking ahead to 2024, uncertainties such as the duration of the Russia-Ukraine conflict, the easing of global inflation, and the potential recovery of the Chinese economy make economic development full of variables and challenges. The bottleneck to industry growth is no longer found solely in foundry or packaging and testing outsourcing, but rather in the demand generated by economic growth. The Company will pay close attention to changes in the international economic environment, adjust the pace of product research and development in a timely manner, and comply with market demand.

Future Company Development Strategy

Sunplus Technology and all subsidiary entities within the group will continue to deepen their core competencies in various fields, develop new products, and actively invest in advanced technologies to enhance product value and create new products and markets. We will adjust and optimize product lines and investments, observe market trends, actively expand markets, improve performance both within and beyond our core business, and accumulate new growth momentum. We hope to turn losses into profits and repay the long-term support of shareholders.

All the best,
Chairman & CEO,



II. COMPANY PROFILE

2.1 Foundation of Sunplus

Sunplus was founded in August 3rd 1990 in Hsinchu, Taiwan.

2.2 Milestones

For the formation of the Company's share capital, please refer to pages 52-54 of this annual report.

Please refer to pages 279 to 284 of this annual report on the relationship between the Company and the investment enterprises.

August 1990	Sunplus Technology was founded
May 1993	Obtained approval from the SIPA to move into Hsinchu Science Park
October 1993	Moved into Hsinchu Science Park
September 1994	Company started in-house wafer circuit probe testing
December 1995	Groundbreaking for the construction of Sunplus' office building, located in 19, Innovation First Road, Hsinchu Science Park
April 1996	Evaluated as "The most productive IC design company" by Hsinchu SIPA
January 1997	Grand opening of Sunplus' office building
September 1997	Sunplus Technology was IPO on the Over-The-Counter stock market
January 2000	Sunplus was listed on the main board of the Taiwan Stock Exchange (TSE)
Jun 2000	Received certificate of ISO 9001 Quality Assessment by RWTUV
September 2000	Reorganized into three new business unit, Consumer center, Multimedia center, and production center; and the BOD appointed Mr. Yarn-Chen Chen as the president
December 2000	Received the "Distinguished Achieved Award" from Hsinchu SIPA
March 2001	Launched Global Depository Receipts on the London Stock Exchange
December 2001	Completed the Grandtech merger and announced the company's reorganization
January 2002	Established a subsidiary in Shanghai, China to provide better service to customers in Mainland.
February 2002	Implemented ERP system successfully to enhance company's operating efficiency and competence
Jun 2002	Purchased a new office building (B-building) at Science Park
July 2002	Sponsored the new Innovation Park and Parking Lot at Science Park, Hsinchu
February 2003	Licensed 32-bit core IP from MIPS Technology for next-generation consumer electronic products
April 2003	Completed acquisition of Oak Optical Storage Business and spin-off a new venture, Sunext Technology to focus on next generation Blue Ray ODD controller
May 2003	Licensed MPEG-4 video compression technology from DivX Networks to create DivX certified IC solution for consumer electronic products
Jun 2003	Announced reorganization by altering the Product Business Unit Systems to Functional Business Unit Systems
August 2003	Established a new milestone for monthly sales over NT\$1 billion
December 2003	Won "Innovation Product Award 2003" and "R&D Performance Award 2003" from Hsinchu SIPA
March 2004	Established a new subsidiary, Generalplus Technology to focus on consumer IC design
September 2004	Received certificate of ISO 14000 Quality Assessment
December 2004	MFP SoC with 4800dpi image quality won "Innovation Product Award 2004" from Hsinchu SIPA
December 2004	Won "R&D Performance Award 2004" from Hsinchu SIPA
Jun 2005	Announced the first 32-bit processor core S+core [®] with Sunplus-owned instruction set architecture
Jun 2005	Launched USB2.0-to-Serial ATA bridge solution
August 2005	Applied MPEG-4 image controlling technology to the first IP cam with resolution up to 1M pixel in the worldwide
August 2005	Completed the merger with the 3G team of information & communication research lab ITRI and started the development of 3G cellular communication ICs
September 2005	Established a new milestone of monthly sales up to NT\$1.899 billion as record high
October 2005	Mass-produced the PHS mobile baseband processor
November 2005	Announced the worldwide first DVD ICs certificated by DivX Ultra
December 2005	Announced reorganization by altering the Functional Business Unit System to Product Business Unit System and the resolved to spin off the LCD IC business. Mr. Chou-Chye Huang was appointed to CEO of Sunplus

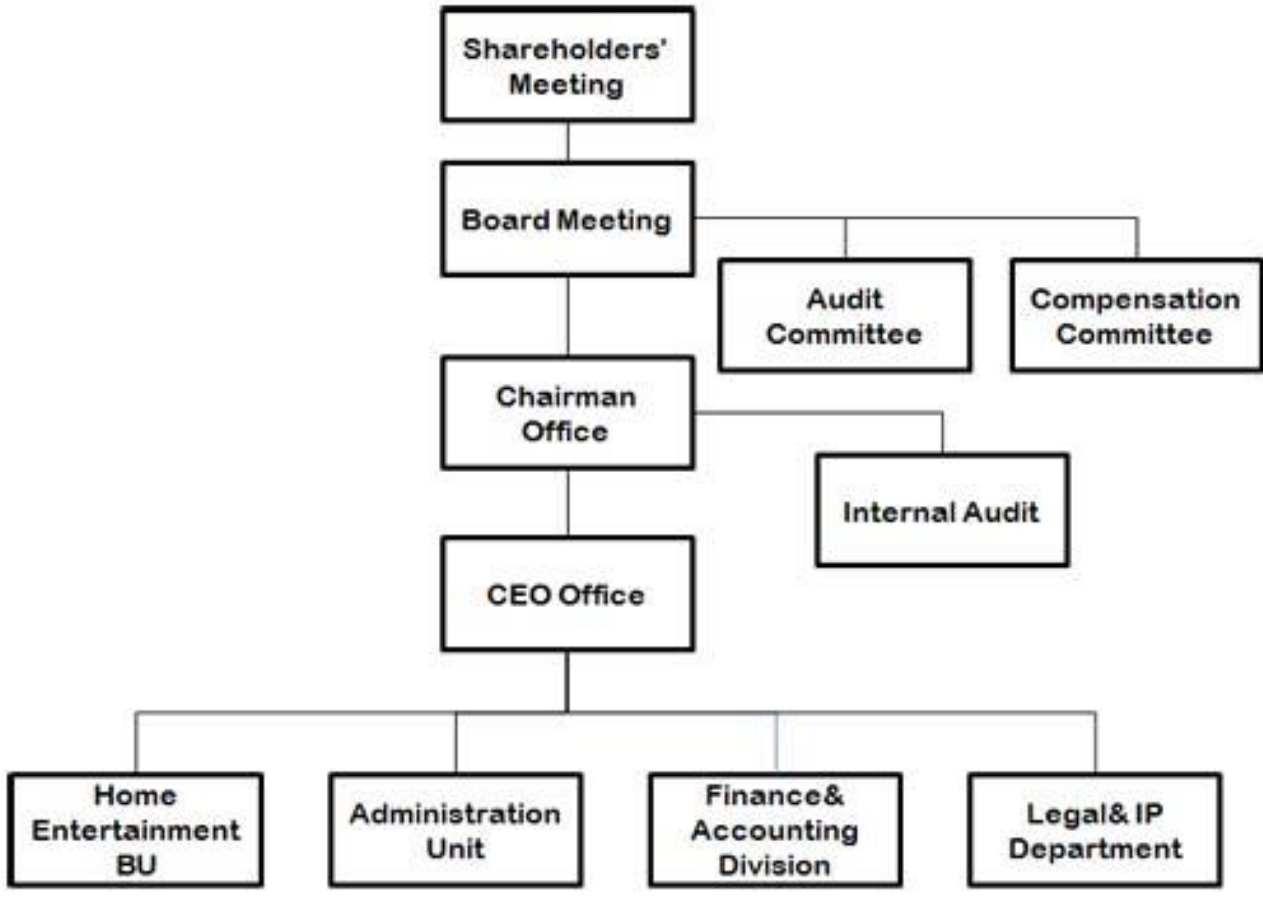
March 2006	Completed the spin-off of the LCD IC business into Orise Technology Co., Ltd.
December 2006	Completed the spin-off of Controller & Peripheral Business Unit into Sunplus Innovation Technology Inc.
December 2006	Completed the spin-off of the Personal Entertainment Business Unit and Advanced Business Unit into Sunplus mMobile Inc.
December 2006	Established a new record high with 2006 profit after tax, NT\$2.97 billion
February 2007	Licensed digital TV SoC IP to Silicon Image, Inc. with US\$40 million for license fee.
March 2007	Completed the return of capital with outstanding shares afterward 512,953,665 shares
April 2007	The spin-off LCD driver IC design company Orise Technology was IPO
April 2007	Sunplus mMobile spun-off Sunplus mMedia Inc.
December 2007	Highly integrated SoC SPG290 with interactive game and education function won the "Innovation Product Award 2007" from Hsinchu SIPA
December 2007	Received certificate of IECQ 080000 for hazardous substance process management.
December 2007	Established a new subsidiary, Sunplus Prof-tek Technology, in Shenzhen
January 2008	Established a new subsidiary, Sunmedia Technology, in Chengdu
March 2008	Sunext licensed optical storage technology to Broadcom Corporation with license income up to US\$38 million
March 2008	Launched first DTMB demodulator for China digital broadcasting TV system among Taiwanese IC design companies
April 2008	Established new subsidiary Sunplus APP Technology in Beijing, to follow up Sunplus University Program in China
March 2009	Joint-promoted with DTS next generation DVD SoC delivering the ultimate audio entertainment experience.
October 2009	Spun off Sunplus mMedia's product lines: PC-Cam to Sunplus Innovation Technology Inc.; PMP/MP3/DPF to Generalplus Technology Inc.; DSC to new start-up
December 2009	Started up iCatch Technology Inc. to take over the DSC business from Sunplus mMedia Inc.
August 2010	Celebrated Sunplus' 20th Anniversary and Kept Going for "Technology for Easy Living"
May 2011	Announced reorganization by altering the IC design Unit and System design Unit to "DVD Product Center", "STB Product Center", "TV Product Center" and "IP Product Center". Appointed Dr. Archie Yeh as President of Home Entertainment Business Unit
November 2011	The subsidiary, Generalplus Technology Co., Ltd., focused on consumer IC design listing on Taiwan Stock Exchange under the code "4952"
May 2012	Updated the company vision from "Technology for Easy Living" to "Customers Win we win"
June 2012	Elected the 9th Board of Directors and Supervisors in AGM2012, the BOD re-elected Unanimously Mr. Chou-Chye Huang as Chairman
December 2012	Joint-invest Sunplus Core Technology (renamed: S2-tek Inc.) for TV IC design
January 2013	Reorganization to "DVD Product Center", "STB Product Center" and "IP Product Center".
November 2013	"DVD Product Center" renamed to "Automotive Product Center".
January 2014	Established new subsidiary Beijing Sunplus-Ehue Tech Co., Ltd.
October 2014	Sunplus mMedia spun-off Jumplux for USB Multi-Screen Display SoC and IP Design
December 2014	The consolidated net sales reached NT\$8.71 billion
January 2015	Orise Technology merged with Focal Tech
January 2015	Disposed STB product Center
February 2015	Reorganization due to disposal of STB center, Chariman & CEO Mr. Chou-Chye Huang is acting as President of HE BU
June 2015	Elected the 10th Board of Directors and Supervisors in AGM2015, the BOD re-elected Unanimously Mr. Chou-Chye Huang as Chairman
December 2016	Completed TSMC 28nm HPC + IP development and verification
June 2017	The first release of the Corporate Social Responsibility Report (CSR Report) actively implements corporate social responsibility to meet the international trends of balanced environmental, social and corporate governance development, contribute to economic development, and improve employees, their families, and the local community as a whole. Social quality of life
March 2018	Home Entertainment BU has set up a "Smart Computing Project"
August 2018	Update Slogan to "Make difference". Simple and powerful, easy to understand, the larger version of Make declares that you want to "do something" and create valuable differentiation
February 2019	Passed ISO45001 and TOHSMS environmental safety and health management system certification

- July 2020 Announced highly integrated automotive instrumentation solutions and successfully entered the supply chain of automotive instrument manufacturers
- September 2020 Subsidiary "Sunplus Innovation Technology Co., Ltd." registered in emerging stock market
- February 2021 Join the Hon Hai MIH Electric Vehicle Platform Alliance
- March 2021 The "Smart Device Product Center" was established under the home platform business group
- JULY 2022 Subsidiary " Sunplus Innovation Technology Co., Ltd." terminated OTC-to-OTC trading
- October 2022 Sunplus Global Depositary Receipts (GDR) delisted from the London Stock Exchange
- October 2022 The "R&D Center" was established under the Home Entertainment BU
- July 2023 Obtaining ISO 26262 Process Certification
- August 2023 The "Algorithm Development Center" was established under the Home Entertainment BU.
- September 2023 Completion of the Ministry of Economic Affairs' AI on Chip Research and Development Program.

III. Corporate Governance

3.1 Organization

3.1.1 Organization Chart



3.1.2 Major Corporate Functions

April 14th, 2024

Department	Job Description
Chairman Office	<ul style="list-style-type: none"> (1) Engaging the strategic alliances (2) Planning and executing investment plans (3) Arranging Board of Directors Meetings (4) The planning, promotion and implementation of the Company's integrity management (5) Handling of shareholders' meeting related matters and stock affairs operations
CEO Office	<ul style="list-style-type: none"> (1) Establishing company's operational strategies, and goals (2) Auditing and improving the operating performances (3) Executing and managing the strategic alliances (4) Managing strategic investments
Internal Auditor	<ul style="list-style-type: none"> (1) Executing internal auditing plan as routine (2) Auditing subsidiaries regularly (3) Auditing special cases (4) Re-certification auditing of self-examination (5) Establishing the internal control system
Home Entertainment Business Unit	<ul style="list-style-type: none"> (1) Developing world-class audio and video solutions (2) Managing sales channels and distributors and providing customer services (3) Marketing and expanding business worldwide (4) Conducting production, material control, International trading affairs (5) Developing and handling quality assurance system (6) Planning new products and engaging cutting-edge technologies (7) Maintaining testing software and facility
Administration Unit	<ul style="list-style-type: none"> (1) Total Management, Plant Management, Procurement, Occupational safety, Environmental Protection and Administrative Services (2) Managing human resources and personnel (3) Establishing corporate information service to upgrade the productivity (4) Automating of business process to be more competitive (5) Providing a supportive environment for management decision-making to support company growth and transformation (6) External communication and public relations management
Finance & Accounting Division	<ul style="list-style-type: none"> (1) Managing and maintaining finance & accounting affairs (2) Financial fund allocation and management
Legal & IP Department	<ul style="list-style-type: none"> (1) Coordinating the legal and IP affairs (2) Planning processes and control of various types of documents (3) Management, maintenance, and retrieval of various types of documents (4) Library management, maintenance, and procurement (5) Contract and intellectual property (IP) management

3.2 Directors, and Management

3.2.1 Directors & Supervisors

April 14th, 2024/Unit: shares

Title	Nationality or Registry	Name	Gender Age	Date Elected	Initial Date Elected	Term of Office	Share holding When Elected		Current Shareholding		Spouse & Minor Shareholding		Educational Background	Positions Currently held in Other Companies (Note 2)
							Amount	%	Amount	%	Amount	%		
Chairman & CEO	R.O.C.	Chou-Chye Huang	Male 61-70	2021.07.20	1990.07.09	3 years	92,737,817	15.67	92,737,817	15.67	1,370,993	0.23	M.S., Electrical Engineering, National Tsing Hua University, Taiwan	Note 1
Director	R.O.C.	Wen-Hsiung Jan	Male 51-60	2021.07.20	2009.04.30	3 years	0	0.00	0	0.00	0	0.00	MBA, International Business, National Taiwan University, Taiwan	Supervisor: Hi-Yes Director: iCatch, Ability Enterprise, OLEADER, Yanwen Asset Management Consulting (Ltd.), SweeGen Biotech Corporation, Independent Director: Biostar, Nien Hsing Textile, Elitegroup, Champion Microelectronic Corp. Chairman: AEMC
Director	R.O.C.	Global View Co., Ltd.,	-	2021.07.20	1990.07.09	3 years	10,038,049	1.70	10,038,049	1.70	0	0.00	-	Chairman: GLOBAL VIEW CO., LTD (Cayman) Director: NVTEK, Radiant Innovation Inc.
Director	R.O.C.	Wen-Ren Su (Representative of Global View Co.)	Male 51-60	2021.07.20	1990.07.09	3 years	0	0.00	0	0.00	0	0.00	B.S., Accounting, Chinese Culture University	Vice President: Global View, Director: Beijing Global View, Radiant Innovation Inc. Supervisor: NVTEK
Independent Director	R.O.C.	Che-Ho Wei	Male 71-80	2021.07.20	2009.04.30	3 years	0	0.00	0	0.00	0	0.00	Ph.D., Electronic Engineering, University of Washington, Seattle, USA	Director: MXIC
Independent Director	R.O.C.	Tse-Jen Huang	Male 61-70	2021.07.20	2015.06.12	3 years	0	0.00	0	0.00	0	0.00	EMBA, National Taiwan University of Science and Technology	CPA and Head of Shengxin CO., CPAs Independent Director & Audit Committee Member and Compensation Committee Member: GenMont Independent Director & Compensation Committee Member: Sunfon Director: Playsee Inc.
Independent Director	R.O.C.	Rui-Qi Chen	Male 41-50	2021.07.20	2021.07.20	3 years	0	0.00	0	0.00	0	0.00	Master of Science (Technology and Digital Learning Program), Jiaotong University	Lawyer: WTW-Taipei Commercial Law Firm Independent Director: iCatch Inc. Chairman: Huachuang Financial Consultants (Ltd.) Company
Independent Director	R.O.C.	Cong-Ling Guo	Male 61-70	2021.07.20	2021.07.20	3 years	0	0.00	0	0.00	0	0.00	MS in Computer Engineering from Penn State University	None

Note1:

Chairman: Generalplus, Venturplus Group Inc., Venturplus Mauritius Inc., Venturplus Cayman Inc., Shanghai Sunplus, Sunplus Venture Capital, Lin Shih Investment, Weiyang Investment, Sunplus Management Consulting, Generalplus International (SAMOA) Inc., Sunplus Innovation Technology, Generalplus (MAURITIUS) Inc., Generalplus (Shenzhen), Sunplus Prof-tek, Sunmedia, Beijing Sunplus-Ehue Technology, Award Glory Ltd., Sunny Fancy Ltd., Giant Rock Inc., Global View Co., Ltd., Chongqing CQPlus1 Technology, GlintMed, Worldplus Technology(Shen Zhen), Shanghai Beyond Technology Co., Ltd., Shanghai Joyhorn Technology Co., Ltd.

Chairman & President: Sunplus mMedia, Jumplux

President: Worldplus Holdings L.L.C

Director: Sinocon Industrial standards Foundation, iCatch, Zhu Ming Foundation, WiSilicon Innovation

Executive Supervisor: National Yang Ming Chiao Tung University

Note 2: The chairman of the company and the general manager or equivalent (the top manager) are the same person, are relatives of each other, such as spouse or one parent, should explain the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors and should (More than half of the directors have not served as employees or managers, etc.):

The chairman of the company also serves as the chief executive officer. To improve business efficiency and decision-making execution, the company has the following specific measures.

1. Among the seven members of the board of directors, except for the chairman, the other six directors do not concurrently serve as employees or managers.
2. Independent directors can fully discuss and make recommendations for the board of directors in each functional committee to implement corporate governance.
3. In 2021, the re-election of directors added an independent director.

3.2.2 Information of directors

I. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

April 13th, 2024

Condition Name	Professional qualifications and experience	Independence situation	Number of independent directors of other public companies
Chou-Chye Huang	He is currently the Chairman and Chief Executive Officer of the Company. With more than five years of work experience required by the company's business, with professional leadership, operation management and strategic planning capabilities, to lead the company's sustainable operation and become a leader in the industry. None of the conditions in Article 30 of the Company Law.	(1) A director, supervisor or employee of another company who is not a director, supervisor or employee of another company controlled by the same person with more than half of the company's directors or shares with voting rights. (2) There is no relationship between spouses or relatives within the second degree of kinship with other directors. (3) Article 27 of the Company Law does not stipulate that the government, legal person or its representative shall be elected.	None
Wen-Hsiung Jan	He is currently the chairman of ECSC Inc. Technology (stock) Company. With more than five years of work experience required for corporate business, possess the ability of market strategy and business promotion and rich experience in operation and management. None of the conditions in Article 30 of the Company Law.	(1) A director, supervisor or employee of another company who is not a director, supervisor or employee of another company controlled by the same person with more than half of the company's directors or shares with voting rights. (2) There is no relationship between spouses or relatives within the second degree of kinship with other directors. (3) Article 27 of the Company Law does not stipulate that the government, legal person or its representative shall be elected.	4
Wen-Ren Su (Representative of Global View Co.)	He is currently the vice president of Global View Co., Ltd. With more than five years of work experience required for company business, with industry knowledge and the ability to view the international market. None of the conditions in Article 30 of the Company Law.	(1) A director, supervisor or employee of another company who is not a director, supervisor or employee of another company controlled by the same person with more than half of the company's directors or shares with voting rights. (2) There is no relationship between spouses or relatives within the second degree of kinship with other directors.	None

Condition Name	Professional qualifications and experience	Independence situation	Number of independent directors of other public companies
Che-Ho Wei	He once served as an adjunct professor at the Department of Electronic Engineering, National Yang Ming Chiao Tung University. With more than five years of work experience required by the company's business, with professional and technical capabilities in the IC design industry.	The following independence conditions are met: (1) Non-employees of the company or its affiliates. (2) Non-directors and supervisors of the company or its affiliates. (3) Non-person shareholders who are not themselves and their spouses, minor children, or other natural person shareholders who hold more than 1% of the company's total issued shares or hold the top ten shares in the name of others. (4) Spouses, relatives within the second degree of kinship, or lineal relatives within the third degree of kinship, who are not the managers listed in (1) or the persons listed in (2) and (3). (5) Directors of corporate shareholders who do not directly hold 5% or more of the total issued shares of the company, who hold the top five shares, or who designate a representative to serve as a director or supervisor of the company in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act, Supervisor or employee.	None
Tse-Jen Huang	He is currently a certified public accountant and director of Shengxin United Certified Public Accountants, with more than five years of work experience required for corporate business, specializing in corporate financial accounting, which can improve the quality of corporate governance management of the board of directors and the supervision function of the audit committee.	(6) Directors, supervisors or employees of other companies whose shares are not held by the same person as directors or whose majority of shares with voting rights are controlled by the same person. (7) Directors (directors), supervisors (supervisors) or employees of other companies or institutions that are not the same person or spouse as the chairman, general manager or equivalent of the company.	2
Rui-Qi Chen	He is currently a lawyer at WTW-Taipei Commercial Law Firm. With more than five years of work experience required for corporate business, can provide risk management, legal strategy, compliance and management decision-making advice.	(8) Non-directors (directors), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business dealings with the company. (9) Non-professionals, sole proprietors, partnerships, companies or institutions that provide auditing services for companies or affiliated companies or who have received remunerations in the last two years with an accumulated amount of less than NT\$500,000 in business, legal, financial, accounting and other related services Business owners, partners, directors (council),	1
Cong-Ling Guo	He once served as the vice president of nVidia, with more than five years of work experience required by the company's business, has professional experience in the field and management practice expertise, and can provide professional advice on company strategic planning and product development.		None

Condition Name	Professional qualifications and experience	Independence situation	Number of independent directors of other public companies
		supervisors (supervisors), managers and their spouses. However, this does not apply to the members of the Compensation Committee, Public Takeover Review Committee, or Special Committee on Mergers and Acquisitions who perform their functions in accordance with the Securities and Exchange Act or the Mergers and Acquisitions Act. (10) There is no relationship between spouses or relatives within the second degree of kinship with other directors. (11) There is no one of the conditions in Article 30 of the Company Law. (12) Article 27 of the Company Law does not stipulate that the government, legal person or its representative shall be elected.	

II. Diversity and independence of the board of directors:

A. Diversity of the Board of Directors: Among the seven current board members of the Company:

(1) General board members: composed of members with a master's degree from the Institute of Electrical Engineering of Tsinghua University, a master's degree from the Institute of International Business Studies of National Taiwan University, and a bachelor's degree from the Accounting Department of Cultural University.

(2) Independent director members: composed of members with professional backgrounds and professional skills such as a doctorate in electrical engineering from the University of Washington in Seattle, a master's degree in EMBA management from the Institute of Finance and Finance of Taiwan University of Science and Technology, a law department of Taiwan University, and a master's degree in computer engineering from Penn State University.

(3) The company pays attention to the industrial experience and professional ability of the directors:

1. The target ratio of directors with industry experience is 50%: The company has 5 directors with industry experience: Chou-ChyeHuang, Wen-Hsiung Jan, Wen-Ren Su, Che-Ho Wei, and Cong-ling Guo, accounting for 71.43%.

2. At least 1 professional director of finance, accounting and taxation: the company has director of finance, accounting and taxation, including director Tse-Jen Huang, with 100% seats.

3. At least 1 seat longer than legal affairs director: The company has legal affairs director Chen Ruiqi, with 100% seats.

(4) The term of office of one independent director of the company is more than nine years, the term of office of one independent director is eight years, and the term of term of two independent directors is less than three years.

(5) One director of the company is over 71 years old, three directors are between 61 and 70 years old, and three directors aged between 41 and 60 years old.

(6) The diversity orientation, complementarity and implementation of the directors of the Company have included the standards set out in Article 20 of the Company's "Code of Corporate Governance"; Including but not limited to basic conditions and values, professional knowledge and skills, etc., to ensure that members of the board of directors should generally have the knowledge, skills and qualities necessary to perform their duties.

B. Independence of the Board of Directors:

(1) 14.29% of the Company's directors are employees, and 57.14% are independent directors.

(2) None of the directors of the company has any of the conditions specified in Items 3 and 4 of Article 26-3 of the Securities and Exchange Act, and there is no relationship between the directors of spouses or relatives within the second degree of kinship.

3.2.3 Major Shareholders of Sunplus' Shareholders as Legal Entities

a) Global View's Top 10 Shareholders

April 14th, 2024

Shareholder	Holding
Sunplus Technology	13.06%
Jhih-Yuan Chou	9.49%
China Trust Commercial Bank is entrusted to keep the investment account of Baofu Investment Consultant (Hong Kong) Co., Ltd. - Customer Account	7.05%
THE CAPITAL GROUP is entrusted with the special investment account of Changxiong Securities Co., Ltd.	3.77%
Citi (Taiwan) Commercial Bank is entrusted with the custody of First Securities (Hong Kong) Signed Nominee Investment Account	3.31%
Meng-Huei Lin	2.47%
Shuhui Chen	2.47%
Yunlong Huang	2.09%
Kunting Huang	0.91%
Huiqi Jiang	0.90%

b) Remark if the above Major Shareholders as Legal Entities:

Shareholder	Major Shareholders	Holding
China Trust Commercial Bank is entrusted to keep the investment account of Baofu Investment Consultant (Hong Kong) Co., Ltd. - Customer Account	Not Applicable	-
THE CAPITAL GROUP is entrusted with the special investment account of Changxiong Securities Co., Ltd.	Not Applicable	-
Citi (Taiwan) Commercial Bank is entrusted with the custody of First Securities (Hong Kong) Signed Nominee Investment Account	Not Applicable	-

3.2.4 Management Team

April 14th, 2024/Unit: shares

Title	Country of Citizenship	Name	Gender	Effective Date	Current Shareholding		Spouse's & Minor's Shareholding		Use the Name of Others to Hold Shares		Educational Background	Positions Currently held in Other Companies (Note 5)	With Spouse or Two Parents Relationship Manager			Remarks
					Amount	Ownership	Amount	%	Amount	%			Job Title	Name	Relationship	
Chairman & CEO	Republic of China	Chou-Chye Huang	male	1990.07.09	92,737,817	15.67%	1,370,993	0.23%	-	-	M.S., Electrical Engineering, National Tsing Hua University, Taiwan	Note:1	-	-	-	Note:7
Vice President	Republic of China	Jason Lin (Note: 8)	male	2013.11.01	146,111	0.02%	8,637	0.00%	-	-	Master, Industrial Engineering, National Chiao-Tung University, Taiwan	Note:2	-	-	-	-
Vice President	Republic of China	Adam Wang (Note: 8)	male	2021.04.01	10,000	0.00%	-	-	-	-	Master of Business Administration (MBA) from the Graduate Institute of Business Administration, National Taiwan University	None	-	-	-	-
Assistant VP	Republic of China	Alex Chang	male	2013.07.01	0	0.00%	-	-	-	-	Master, Industrial Engineering, National Chiao-Tung University, Taiwan	Note:3	-	-	-	-
Assistant VP	Republic of China	John Wu	male	2023.08.11	5,000	0.00%	-	-	-	-	Master of Biomedical Engineering, National Cheng Kung University	Note:4	-	-	-	-
Director of Finance & Accounting Division	Republic of China	Shu-Chen Cheng	female	2013.03.01	36,067	0.01%	-	-	-	-	Bachelor, Accounting, Tunghai University, Taiwan	Note:5	-	-	-	-
Head of Corporate Governance	Republic of China	Phoebe Chen	female	2021.04.01	19,177	0.00%	-	-	-	-	Master of Accounting, National Chengchi University	Note:6	-	-	-	-

Note 1:

Chairman: Generalplus, Venturplus Group Inc., Venturplus Mauritius Inc., Venturplus Cayman Inc., Shanghai Sunplus, Sunplus Venture Capital, Lin Shih Investment, Weiyang Investment, Sunplus Management Consulting, Generalplus International (SAMOA)Inc., Sunplus Innovation Technology, Generalplus (MAURITIUS) Inc., Generalplus (Shenzhen), Sunplus Prof-tek, Sunmedia, Beijing Sunplus-Ehue Tech Co., Ltd., Award Glory Ltd., Sunny Fancy Ltd., Giant Rock Inc., Global View Co., Ltd., Chongqing CQPlus1 Technology, GlintMed, Worldplus Technology (Shen Zhen), Shanghai Beyond Technology Co., Ltd., Shanghai Joyhorn Technology Co., Ltd.

Chairman & President: Sunplus mMedia, Jumplux

President: Worldplus Holdings L.L.C

Director: Sinocon Industrial standards Foundation, iCatch, Zhu Ming Foundation, WiSilicon Innovation

Executive Supervisor: National Yang Ming Chiao Tung University

Note 2 :

Director: AutoSys Co.,Ltd.

Note 3 :

AVP: Jumplux, Shanghai Sunplus, Chongqing CQPlus1 Technology.

Note 4 :

Director: eNeural Technologies, Inc., AkiraNET Company

Note 5 :

Supervisor: Jumplux, Sunplus mMedia, AkiraNET Company, GlintMed Innovation

Director: Shanghai Sunplus

President: Shanghai Sunplus, Shanghai Beyond Technology Co., Ltd., Shanghai Joyhorn Technology Co., Ltd.

Note 6:

Head of Corporate Governance: Generalplus, Sunplus Innovation Technology

Director: Sunplus mMedia, Jumplux, Shanghai Sunplus

Supervisor: Shanghai Beyond Technology Co., Ltd., Shanghai Joyhorn Technology Co., Ltd.

Note 7:

When the general manager or equivalent (the top manager) and the chairman are the same person, are relatives such as spouse or one parent, they should disclose the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors More than half of the directors have not served as employees or managers, etc.) related information:

The chairman of the company also serves as the chief executive officer. To improve operational efficiency and decision-making execution, the company currently has the following specific measures:

1. Among the seven members of the board of directors, except for the chairman, the other six directors do not concurrently serve as employees or managers.
2. Independent directors can fully discuss and make recommendations for the board of directors in each functional committee to implement corporate governance.
3. In 2021, the re-election of directors added an independent director.

Note 8:

On August 11, 2023, promoted from Assistant Vice President to Vice President

3.3 Remuneration to Directors, Presidents, and Vice Presidents

3.3.1 The remuneration of the Executive Director, General Manager, and Deputy General Manager, and the remuneration of the Director

Remuneration to Directors (Disclosure of names in accordance with aggregated salary bands)

Title	Name (Note 1)	Remuneration to Directors								Remuneration to Directors who hold a Concurrent Post in the Company								(A)+(B)+(C)+(D) +(E)+(F)+(G) % of Net Income (Note 10)	Receive remuneration from non-subsidiary reinvestment business or parent company (Note 11)			
		Salary (A) (Note 2)		Pension (B)		Bonus from Profit Distribution (C) (Note 3)		Allowance (D) (Note 4)		(A)+(B)+(C)+(D) % of Net Income (Note 10)		Salary, Bonus, etc. (E) (Note 5)		Pension (F)		Employee Bonus from Profit Distribution (G) (Note 6)						
		Sunplus	Consolidated Subsidiaries (Note 7)	Sunplus	Consolidated Subsidiaries (Note 7)	Sunplus	Consolidated Subsidiaries (Note 7)	Sunplus	Consolidated Subsidiaries (Note 7)	Sunplus	Consolidated Subsidiaries (Note 7)	Sunplus	Consolidated Subsidiaries (Note 7)	Sunplus	Consolidated Subsidiaries (Note 7)	Cash Bonus	Stock Bonus			Cash Bonus	Stock Bonus	Sunplus
Chairman	Chou-Chye Huang	0	0	0	0	0	0	160,000	160,000	160,000/ -0.03	160,000/ -0.03	6,028,284	6,028,284	91,848	91,848	0	0	0	0	6,280,132/ -1.27	6,280,132/ -1.27	None
Director	Wen-Hsiung Jan	0	0	0	0	0	0	155,000	155,000	155,000/ -0.03	155,000/ -0.03	0	0	0	0	0	0	0	0	155,000/ -0.03	155,000/ -0.03	1,166,015
Director	Global View	0	0	0	0	0	0	120,000	120,000	120,000/ -0.02	120,000/ -0.02	0	0	0	0	0	0	0	0	120,000/ -0.02	120,000/ -0.02	None
	Wen-Ren Su Representative of Legal Entity	0	0	0	0	0	0	40,000	40,000	40,000/ -0.01	40,000/ -0.01	0	0	0	0	0	0	0	0	40,000/ -0.01	40,000/ -0.01	2,509,348
Independent Director	Che-Ho Wei	0	0	0	0	0	0	427,000	427,000	427,000/ -0.09	427,000/ -0.09	0	0	0	0	0	0	0	0	427,000/ -0.09	427,000/ -0.09	None
Independent Director	Tse-Jen Huang	0	0	0	0	0	0	433,000	433,000	433,000/ -0.09	433,000/ -0.09	0	0	0	0	0	0	0	0	433,000/ -0.09	433,000/ -0.09	None
Independent Director	Rui-qi Chen	0	0	0	0	0	0	433,000	433,000	433,000/ -0.09	433,000/ -0.09	0	0	0	0	0	0	0	0	433,000/ -0.09	433,000/ -0.09	None
Independent Director	Cong-ling Guo	0	0	0	0	0	0	433,000	433,000	433,000/ -0.09	433,000/ -0.09	0	0	0	0	0	0	0	0	433,000/ -0.09	433,000/ -0.09	None

1. Please state the policy, system, standards and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested, etc. According to one of Article 18 of the company's articles of association, "when the directors of the company perform the duties of the company, the company may pay remuneration regardless of the company's business profits and losses. The remuneration is authorized by the board of directors to negotiate with the industry's usual level. Remuneration is distributed in accordance with the provisions of Article 29 of this Constitution. "

To measure the company's current operating scale and to consider the company's current operating conditions, the company's policies and regulations for the payment of independent directors' remuneration have a positive relationship with operating performance and future risks assumed. The payment of the sole director's remuneration shall be reported to the board of directors for resolution after the approval of the remuneration committee.

2. In addition to the disclosures in the above table, the directors of the company in the most recent year have received remuneration for providing services to all companies in the financial report (such as serving as consultants for non-employees): none.

Units: NT\$, shares

Remuneration Band

Remuneration to Directors	Names of Directors			
	The total amount of the first four remuneration (A)+(B)+(C)+(D)		The total amount of the first seven remuneration (A)+(B)+(C)+(D)+(E)+(F)+(G)	
	Sunplus (Note 8)	Consolidated Subsidiaries (Note 9) H	Sunplus (Note 8)	All companies in the financial report (I) (Note 9)
Under NT\$1,000,000	Chou-Chye Huang, Wen-Hsiung Jan, Rui-qi Chen, Che-Ho Wei, Tse-Jen Huang, Cong-ling Guo, Global View, Wen-Ren Su	Chou-Chye Huang, Wen-Shiung Jan, Rui-qi Chen, Che-Ho Wei, Tse-Jen Huang, Cong-ling Guo, Global View, Wen-Ren Su	Wen-Hsiung Jan, Rui-qi Chen, Che-Ho Wei, Tse-Jen Huang, Cong-ling Guo, Global View, Wen-Ren Su	Wen-Hsiung Jan, Rui-qi Chen, Che-Ho Wei, Tse-Jen Huang, Cong-ling Guo, Global View, Wen-Ren Su
NT\$1,000,000~NT\$2,000,000 (Not included)				
NT\$2,000,000~NT\$3,500,000 (Not included)				
NT\$3,500,000~NT\$5,000,000 (Not included)				
NT\$5,000,000~NT\$10,000,000 (Not included)			Chou-Chye Huang	Chou-Chye Huang
NT\$10,000,000~NT\$15,000,000 (Not included)				
NT\$15,000,000~NT\$30,000,000 (Not included)				
NT\$30,000,000~NT\$50,000,000 (Not included)				
NT\$50,000,000~NT\$100,000,000 (Not included)				
More than 100,000,000				
Total	8	8	8	8

Note 1: The names of directors should be listed separately (legal shareholders should separately list the names and representatives of legal shareholders), and the general directors and independent directors should be listed separately, and the amount of each payment should be disclosed in a summary manner.

If the director also serves as the general manager or deputy general manager, this table and the following table (3-1), or the following tables (3-2-1) and (3-2-2).

Note 2: It indicates the remuneration to directors (including salary, allowance, pension, bonus, rewards, and etc.) in the most recent fiscal year.

Note 3: It indicates the remuneration to directors from profit distribution in the most recent fiscal year according to the proposal submitted by BOD to shareholders' meeting for approval.

Note 4: It indicates the expenses generated from directors' business (including transportation fees, social activity fees, allowances, dormitories, company cars, and etc.) in the most recent fiscal year. If the Company provides a house, car/other transportation, or other allowances to directors, the relevant payments, calculated at actual cost or fair value, shall be disclosed. The remuneration paid to the company drivers shall be disclosed but not included in the remuneration to directors.

Note 5: It indicates the salaries, allowances, pensions, severance pay, bonuses, rewards, transportation fees, social activity fees, dormitories, cars, and etc., to directors who hold concurrently posts in the Company (including presidents, vice presidents, managers, or other employees). If the Company provides a house, car/other transportation, or other allowances to directors, the relevant payments, calculated at actual cost or fair value, shall be disclosed. The remuneration paid to the company drivers shall be disclosed but not included in the remuneration to directors.

And the salary fee recognized by IFRS 2 "Share Fundamental Contribution", including obtaining employee stock vouchers, restrictions on employee rights of new shares and participation in cash replenishment of shares and so on, should also be included in the remuneration.

The company's Chairman Huang and the chief executive officer are equipped with official car, and are provided with drivers to pay the relevant remuneration of NT\$676,000.

Note 6: It indicates the employee bonuses (including cash and stock) paid to directors who hold concurrently posts in the Company (including presidents, vice presidents, managers, or other employees). The amount of employee bonus according to the proposal of profit distribution submitted by BOD to shareholders' meeting for approval in the most recent fiscal year shall be disclosed. If there is no such proposal yet, the stock bonus may be calculated according to the stock bonus last year, and annex1-3 shall be filled in.

Note 7: The total amount remuneration paid to the Company's directors by all the companies in the consolidated financial statements (including Sunplus) shall be disclosed.

Note 8: The company pays each director the total amount of remuneration, and the name of the director is disclosed in the attributable grade

Note 9: The total amount of remuneration paid to each director of the company by all companies (including the company) in the consolidated report should be disclosed, and the name of the director should be disclosed in the attribution level

Note 10: Net profit after tax refers to net profit after tax in the most recent individual or respective financial report.

Note 11: a. This column should clearly list the amount of remuneration received by the company's directors from reinvested businesses other than subsidiaries or the parent company (if not, please fill in "none").

b. If the directors of the company receive remuneration from a subsidiary's reinvestment business or parent company, the remuneration received by the company's directors from a subsidiary's reinvestment business or parent company shall be included in column I of the remuneration scale and The field name is changed to "Parent company and all reinvestment businesses".

c. Remuneration refers to the remuneration, remuneration (including remuneration of employees, directors and supervisors) and business execution fees received by the directors of the company as directors, supervisors or managers of non-subsidiary investment companies or parent companies.

※The remuneration disclosed here shall not be applied for taxation purpose because those are calculated on a different basis.

Remuneration to Management Team

Remuneration to Presidents and Vice Presidents(Individual Disclosure of Names in Accordance with Grade Ranges)

Unit: NT\$, shares

Title	Name (Note 1)	Salary (A) (Note 2)		Pension (B)		Reward, Allowance, etc. (C) (Note 3)		Bonus from Profit Distribution (D) (Note 4)				(A)+(B)+(C) +(D) % on Net Income (Note 8)		Receive remuneration from non-subsidiary reinvestment business or parent company (Note 9)
		Sunplus	Consolidated Subsidiaries (Note 5)	Sunplus	Consolidated Subsidiaries (Note 5)	Sunplus	Consolidated Subsidiaries (Note 5)	Sunplus		Consolidated Subsidiaries (Note 5)		Sunplus	Consolidated Subsidiaries (Note 5)	
								Cash Bonus	Stock Bonus	Cash Bonus	Stock Bonus			
CEO	Chou-Chye Huang	4,568,600	4,568,600	91,848	91,848	1,459,684	1,459,684	0	0	0	0	6,120,132/-1.24	6,120,132/-1.24	None
VP	Wayne Shen (Note 10)	1,311,860	1,311,860	70,050	70,050	381,000	381,000	0	0	0	0	1,762,910/-0.36	1,762,910/-0.36	None
VP	Jason Lin (Note: 11)	910,187	910,187	54,368	54,368	30,000	30,000	0	0	0	0	994,555/-0.20	994,555/-0.20	None
VP	Adam Wang (Note: 11)	826,187	826,187	36,000	36,000	15,000	15,000	0	0	0	0	877,187/-0.18	877,187/-0.18	None

* Regardless of title, where the job is equivalent to the general manager, deputy general manager (such as: president, chief executive, director ... etc.), should be exposed.

Remuneration Band

Remuneration to Management	Names of Presidents and Vice Presidents	
	Sunplus (Note 6)	All companies in the financial report (E) (Note 7)
Under NT\$1,000,000	Jason Lin (Note: 11), Adam Wang (Note: 11)	Jason Lin (Note: 11), Adam Wang (Note: 11)
NT\$1,000,000~NT\$2,000,000	Wayne Shen (Note 10)	Wayne Shen (Note 10)
NT\$2,000,000~NT\$3,500,000		
NT\$3,500,000~NT\$5,000,000		
NT\$5,000,000~NT\$10,000,000	Chou-Chye Huang	Chou-Chye Huang
NT\$10,000,000~NT\$15,000,000		
NT\$15,000,000~NT\$30,000,000		
NT\$30,000,000~NT\$50,000,000		
NT\$50,000,000~NT\$100,000,000		
More than NT\$100,000,000		
Total	4	4

Note 1: Names of presidents and vice presidents shall be disclosed separately, and the remuneration shall be disclosed in total amount. If the director concurrently serves as the general manager or deputy general manager, this table and the above table (1-1), or (1-2-1) and (1-2-2).

Note 2: It indicates the remuneration to presidents and vice presidents, including salary, allowance, pension, and severance pay) in the most recent fiscal year.

Note 3: It indicates the bonuses, rewards, transportation fees, social activity fees, dormitories, cars, and etc., to presidents and vice presidents. If the Company provides a house, car/other transportation, or other allowances to presidents and vice presidents, the relevant payments, calculated at actual cost or fair value, shall be disclosed. The remuneration paid to the company drivers shall be disclosed but not included in the remuneration to directors. And the salary fee recognized by IFRS 2 "Share Fundamental Contribution", including obtaining employee stock vouchers, restrictions on employee rights of new shares and participation in cash replenishment of shares and so on, should also be included in the remuneration.

Chairman Huang and concurrently the CEO of the company is equipped with an official car and a driver to pay the relevant remuneration of NT\$630,000.

Note 4: It is to fill in the amount of employee compensation (including stocks and cash) approved by the board of directors for the distribution of the general manager and deputy general manager in the most recent year. And should also fill in table 1-3.

Note 5: The total amount remuneration paid to the Company's presidents and vice presidents by all the companies in the consolidated financial statements (including Sunplus) shall be disclosed.

Note 6: It indicates the numbers of presidents and vice presidents classified by the amount of their remuneration paid by Sunplus. If the Company is willing to disclose the names of presidents and vice presidents in each classification, the title of column shall be changed to "Names of Presidents and Vice Presidents".

Note 7: It indicates the numbers of presidents and vice presidents classified by the amount of their remuneration paid by all the companies in the consolidated financial statements (including Sunplus). If the Company is willing to disclose the names of presidents and vice presidents in each classification, the title of column shall be changed to "Names of Presidents and Vice Presidents".

Note 8: Net profit after tax refers to net profit after tax in the most recent individual or respective financial report.

Note 9: a. This column should clearly list the amount of remuneration received by the general manager and deputy general manager of the company from the investment company outside the subsidiary or the parent company (if not, please fill in "none").

b. If the general manager and deputy general manager of the company receive relevant remuneration from a subsidiary's out-of-investment business or parent company, the remuneration received by the general manager and deputy general manager of the company's out-of-subsidary investment business or parent company shall be incorporated into Remuneration level from column E of the table and change the name of the column to "Parent company and all reinvested businesses".

c. Remuneration refers to the remuneration, remuneration (including employees, directors and supervisors) and business execution received by the general manager and deputy general manager of the company as directors, supervisors or managers of non-subsidary companies or parent companies Fees and related remuneration.

Note 10: Retirement on April 18th, 2023.

Note 11: On August 11, 2023, promoted from Assistant Vice President to vice president.

※The remuneration disclosed here shall not be applied for taxation purpose because those are calculated on a different basis.

3.3.2. The remuneration of the top five highest-paid executives in listed and OTC companies (Note 1)

(Individual Disclosure of Names and Compensation Method) (Note: 1)

Title	Name (Note 1)	Salary (A) (Note 2)		Pension (B)		Bonuses and special allowances, etc. (C) (Note 3)		Employee remuneration amount (D) (Note 4)				(A)+(B)+(C)+(D) % of Net Income (Note 6)		Receive remuneration from non-subsidiary reinvestment business or parent company (Note 7)
		Sunplus	Consolidated Subsidiaries (Note 5)	Sunplus	Consolidated Subsidiaries (Note 5)	Sunplus	Consolidated Subsidiaries (Note 5)	Sunplus		Consolidated Subsidiaries (Note 5)		Sunplus	Consolidated Subsidiaries (Note 5)	
								Cash Bonu s	Stock Bonu s	Cash Bonu s	Stock Bonu s			
CEO	Chou-Chye Huang	4,568,600	4,568,600	91,848	91,848	1,459,684	1,459,684	0	0	0	0	6,120,132/ -1.24	6,120,132/ -1.24	None
Vice President	Jason Lin (Note: 8)	2,652,245	2,652,245	163,104	163,104	583,000	583,000	0	0	0	0	3,398,349/ -0.69	3,398,349/ -0.69	None
Vice President	Adam Wang (Note: 8)	2,416,787	2,416,787	108,000	108,000	520,000	520,000	0	0	0	0	3,044,787/ -0.62	3,044,787/ -0.62	None
Assistant VP	Alex Chang	2,330,400	2,330,400	108,000	108,000	545,000	545,000	0	0	0	0	2,983,400/ -0.60	2,983,400/ -0.60	None
Assistant VP	Michael Su (Note 9)	1,914,965	1,914,965	81,000	81,000	415,000	415,000	0	0	0	0	2,410,965/ -0.49	2,410,965/ -0.49	None

Note 1: The term "top five highest remuneration executives" refer to company managers, and the identification standards for relevant managers are based on the former Ministry of Finance Securities and Futures Management Commission Taiwan Finance Certificate No. 0920001301 on March 27, 1992. The letter order stipulates the scope of application of "managers". As for the calculation and recognition principle of "the top five with the highest remuneration", it is based on the total amount of salary, retirement pension, bonus and special expenses received by the company managers from all companies in the consolidated financial report, as well as the amount of employee remuneration (i.e. A +B+C+D (the total of the four items), and then the top five with the highest remuneration will be selected. If a director concurrently serves as a former supervisor, he should fill in this form and the above form (1-1).

Note 2: The salaries, job allowances, and severance payments of the top five highest-paid executives for the most recent fiscal year should be reported.

Note 3: The various bonuses, incentive payments, travel allowances, special allowances, various subsidies, dormitories, assigned vehicles, and other in-kind benefits and remuneration amounts of the top five highest-paid executives for the most recent fiscal year should be reported. If housing, cars, other transportation, or personal expenses are provided, the nature and cost of the assets, the actual or fair market rental value, fuel expenses, and other payments should be disclosed. Additionally, if a driver is assigned, please note the related compensation paid by the company to the driver, although this should not be included in the remuneration total. Furthermore, the salary expenses recognized under IFRS 2 "Share-based Payment," including employee stock options, restricted stocks, and shares purchased through cash capital increase, should also be included in the remuneration.

The company's Chairman Huang, who also concurrently serves as the CEO, is provided with a company car and a driver, with related compensation amounting to 676,000 TWD.

Note 4: The amount of employee remuneration (including stock and cash) allocated to the top five highest-paid executives for the most recent fiscal year, as approved by the Board of Directors, should be reported. If it is not possible to estimate this amount, the proposed allocation for this year should be calculated based on the proportion of last year's actual allocation. Additionally, Form 1-3 should also be completed.

Note 5: The total remuneration paid to the company's top five highest-paid executives by all entities within the consolidated report (including the company itself) should be disclosed.

Note 6: Net profit after tax refers to the net profit after tax for the most recent fiscal year as reported in the individual or separate financial statements.

Note 7: a. This column should clearly state the amount of remuneration received by the top five highest-paid executives of the company from affiliated companies other than subsidiaries or the parent company (if none, please state "N/A").

b. Remuneration refers to the compensation, remuneration (including employee, director, and supervisor remuneration), and related expenses received by the top five highest-paid executives of the company in their capacity as directors, supervisors, or managers of affiliated companies other than subsidiaries or the parent company.

Note 8: On August 11, 2023, promoted from Assistant VP to Vice President."

Note 9: On August 11, 2023, relieved of the position of Assistant VP.

※The remuneration disclosed here shall not be applied for taxation purpose because those are calculated on a different basis.

Employee Bonus Granted to Management Team

April 14th, 2024

Title	Name	Shares Bonus	Cash Bonus	Sum up	% on Net Income
Chairman & CEO	Chou-Chye Huang				
Vice President	Jason Lin				
Vice President	Adam Wang				
Assistant VP	Alex Chang				
Assistant VP	John Wu				
Director of Finance & Accounting Division	Shu-Chen Cheng				
Head of Corporate Governance	Phoebe Chen				

Note: Retirement on April 18th, 2023.

3.3.3. Analysis for remuneration paid by all the companies in the consolidated financial statements (including Sunplus) to directors, presidents and vice presidents as % net income in the most recent two years. Also, the relevant policy, standards and procedures, and the relation between remuneration and performance shall be stated.

1. Analysis of the ratio of the remuneration paid by Sunplus and all companies in the financial statements to the company's directors, president and vice president in the net profit (loss) after tax in the last two years:

Remuneration	2022		2023	
	Amount	% of Net income(Loss)	Amount	% of Net income (Loss)
Director				
President and Vice president	15,652,000	7.25%	11,956,000	-2.42%

2. Remuneration policies, standards and combinations, procedures for determining remuneration, and their relevance to business performance and future risks:

The company pays directors' remuneration in accordance with the company's articles of association and taking into account the usual standards of the industry. The remuneration policy of the management team is based on the salary level of the job equivalent to the same industry market, plus the achievement rate of the company's operation and individual performance in each field of responsibility, and give reasonable remuneration.

According to the articles of association of the company, if the company makes a profit in the current year, it shall allocate no less than 1% for employee compensation and no more than 1.5% for director compensation. However, when the company still has accumulated losses (including adjustments to the amount of undistributed surplus), it shall reserve the amount of compensation in advance.

All directors of the company receive a fixed remuneration, and each time they attend the meeting, they also receive the carriage fee. In addition, the proportion of directors' remuneration distribution is weighted based on the results of evaluation projects such as the mastery of the company's goals and tasks, the degree of participation in the company's operations, internal relationship management and communication, and the director's professional and continuous education, and the weighted results are assigned. The salary and remuneration of the company's managers not only refer to the usual level of payment in the industry, but also consider the evaluation items of professional seniority, work performance, goal achievement, and major contributions. Important evaluation items of work performance include: the practice of the company's core values, financial and operational indicators Management (such as product revenue, gross profit, delivery and R&D schedule), implementation of corporate social responsibility, and other special contributions, or major events, etc., after comprehensive considerations, and reasonable remuneration.

3.4 Corporate Governance Implementation

3.4.1 BOD Meeting Status

In 2023, the 12th Board of Directors held 8 meetings(A). The attendance of directors is as follows:

Title	Name (Note 1)	Attendance in Person (B)	By Proxy	Attendance Rate B/A (%) (Note 2)	Remarks
Chairman	Chou-Chye Huang	8	0	100	
Director	Wen-Hsiung Jan	7	1	87.5	
Director	Representative of Legal Entity , Global View Wen-Ren Su	8	0	100	
Independent Director	Che-Ho Wei	8	0	100	
Independent Director	Tse-Jen Huang	8	0	100	
Independent Director	Rui-qi Chen	8	0	100	
Independent Director	Cong-ling Guo	8	0	100	

1. If the operation of the board of directors falls under any of the following circumstances, the date of the board of directors, the period, the content of the proposals, the opinions of all independent directors and the company's handling of the opinions of the independent directors shall be stated:
 - (1) Matters listed in Article 14-3 of the Securities and Exchange Act—The company has established an audit committee, and Article 14-3 does not apply. For the explanation of the matters listed in Article 14-5 of the Securities Exchange Act, please refer to the Operations of the Audit Committee (pages 22 to 25 of this annual report).
 - (2) Except for the previously mentioned matters, other matters resolved by the board of directors with objections or reservations from independent directors and with records or written statements - none.
2. The implementation of the director's recusal of the proposal of interest shall state the name of the director, the content of the proposal, the reason for the recusal of interest, and the circumstances of participation in voting:
 - (1) On March 15, 2023, the Board of Directors discussed the 'Allocation of Employee and Director Remuneration for the Year 2022':
The case was about determining the total remuneration amount, and individual remuneration amounts were not decided upon, therefore, there was no need for recusal. The case was passed following the Chairman's consultation with all attending directors and obtaining their consent.
 - (2) On March 15, 2023, the Board of Directors discussed the 'Termination of the Company's Director Non-competition Restriction':
Due to a conflict of interest with Director Wen-Shiung Jan, he abstained from participating in the discussion and voting in accordance with the law. Apart from the directors who abstained from participating in the discussion and voting in accordance with the law, the case was passed following the Chairman's consultation with the remaining attending directors, who had no objections.
 - (3) On May 11, 2023, the Board of Directors discussed the 'Retirement Recognition and Job Adjustment of the Deputy General Manager':
Due to conflicts of interest with Chairman Chou-Chye Huang and Director Shu-Chen Cheng, they abstained from participating in the discussion and voting in accordance with the law. The Chairman instructed Mr. Huang Ze-Ren, an independent director, to act as the acting chairman. Following consultation by the acting chairman with the remaining attending directors, who had no objections, the case was passed.
 - (4) On August 11, 2023, the Board of Directors discussed the 'Simplified Merger between the Company and its Subsidiary, Sunext Technology Co., Ltd.':
Due to conflicts of interest with Chairman Chou-Chye Huang and Director Shu-Chen Cheng, they abstained from participating in the discussion and voting in accordance with the law. The Chairman instructed Mr. Huang Ze-Ren, an independent director, to act as the acting chairman. Following consultation by the acting chairman with the remaining attending directors, who had no objections, the case was passed.
 - (5) On August 11, 2023, the Board of Directors discussed the '2023 Company-wide Salary Adjustment and Executive Salary Performance Plan':
During the vote on this case, attending executives abstained from voting in accordance with the law. Chairman Huang, also serving as the CEO, did not participate in the salary adjustment and therefore did not need to recuse himself. Following consultation by the Chairman with all attending directors, who had no objections, the case was passed.

- (6) On August 11, 2023, the Board of Directors discussed the 'Allocation of Director Remuneration for the Year 2022':
1. Upon the Chairman's instruction, Mr. Che-Ho Wei, an independent director, acted as the acting chairman. Apart from the directors who abstained from participating in the discussion and voting in accordance with the law, the case regarding the remuneration of non-independent directors was passed following consultation by the acting chairman with all attending independent directors, who had no objections.
 2. Apart from the independent directors who abstained from participating in the discussion and voting in accordance with the law, the case regarding the remuneration of independent directors was passed following consultation by the Chairman with all attending non-independent directors, who had no objections.
- (7) On September 18, 2023, the Board of Directors discussed the 'Acquisition of Long-Term Investments by the Company':
- Due to a conflict of interest with Chairman Chou-Chye Huang, he abstained from participating in the discussion and voting in accordance with the law. The Chairman instructed Mr. Huang Ze-Ren, an independent director, to act as the acting chairman. Following consultation by the acting chairman with the remaining attending directors, who had no objections, the case was passed.
- (8) On October 11, 2023, the Board of Directors discussed the 'Product Line Planning of Subsidiary Shanghai Sunplus Technology Co., Ltd.':
- Due to a conflict of interest with Chairman Chou-Chye Huang, he abstained from participating in the discussion and voting in accordance with the law. The Chairman instructed Mr. Huang Ze-Ren, an independent director, to act as the acting chairman. Following consultation by the acting chairman with the remaining attending directors, who had no objections, the case was passed.
- (9) On October 11, 2023, the Board of Directors discussed the 'Acquisition of Long-Term Investments by the Company':
- Due to a conflict of interest with Chairman Chou-Chye Huang, he abstained from participating in the discussion and voting in accordance with the law. The Chairman instructed Mr. Huang Ze-Ren, an independent director, to act as the acting chairman. Following consultation by the acting chairman with the remaining attending directors, who had no objections, the case was passed.
3. Listed companies are required to disclose information about the self-assessment (or peer assessment) of the board of directors, including the evaluation cycle and period, scope, method, and content of the assessment, and to fill in the implementation status of the board evaluation.
- Our company revised the 'Board Performance Evaluation Method' at the board meeting held on January 19, 2022. The results of the board and functional committee performance evaluations for the year 2023 were reported at the board meeting held on March 13, 2024. Implementation status of the board evaluation:

Evaluation cycle (Note 1)	During evaluation (Note 2)	Assessment scope (Note 3)	Evaluation method (Note 4)	Evaluation content (Note 5)
Conducted annually	From January 1, 2023, to December 31, 2023	Board of Directors	Board Self-Assessment	Board Performance Evaluation: 1. Involvement in company operations. 2. Enhancing the quality of board decision-making. 3. Composition and structure of the board. 4. Selection and ongoing education of directors. 5. Internal control.
Conducted annually	From January 1, 2023, to December 31, 2023	Individual Directors	Self-Assessment of Board Members	Individual Director Performance Evaluation: 1. Understanding of company goals and objectives. 2. Awareness of director responsibilities. 3. Involvement in company operations. 4. Management of internal relationships and communication. 5. Director's professionalism and ongoing education. 6. Internal controls.
Conducted annually	From January 1, 2023, to December 31, 2023	Audit Committee	Self-Assessment of Board Members	Audit Committee Performance Evaluation: 1. Involvement in company operation. 2. Awareness of committee responsibilities. 3. Enhancement of committee decision-making quality.

				4. Composition of the committee and member selection. 5. Internal controls.
Conducted annually	From January 1, 2023, to December 31, 2023	Compensation Committee	Self-Assessment of Board Members	Compensation Committee Performance Evaluation: 1. Involvement in company operations. 2. Awareness of committee responsibilities. 3. Enhancement of committee decision-making quality. 4. Composition of the committee and member selection. 5. Internal controls.

Note 1: This is where the execution cycle of the board evaluation is recorded, for example: "Conducted annually.

Note 2: This is where the coverage period of the board evaluation is recorded, for example: "Evaluating the performance of the board from January 1, 2019, to December 31, 2019."

Note 3: The evaluation scope includes the performance evaluation of the board, individual directors, and functional committees.

Note 4: This is where the evaluation methods are recorded, including board self-assessment, individual director self-assessment, peer evaluation, appointment of external professional organizations, experts, or other appropriate methods for performance evaluation.

Note 5: The evaluation content should include at least the following items:

(1) Board Performance Evaluation: At least involving participation in company operations, board decision-making quality, board composition and structure, director selection and ongoing education, internal controls, etc.

(2) Individual Director Performance Evaluation: At least involving understanding of company goals and objectives, awareness of director responsibilities, involvement in company operations, management of internal relationships and communication, director's professionalism and ongoing education, internal controls, etc.

(3) Functional Committee Performance Evaluation: Involvement in company operations, awareness of committee responsibilities, decision-making quality of functional committees, composition of functional committees and member selection, internal controls, etc.

4. The objectives of strengthening the functions of the board of directors in the current year and the most recent year (for example, the establishment of an audit committee, the enhancement of information transparency, etc.) and the assessment of implementation status

The company has set up functional committees such as auditing and remuneration to review relevant proposals in accordance with its powers and submit them to the board of directors for resolution to improve its supervisory functions and strengthen management functions. Board members continue to participate in refresher courses related to corporate governance topics, enrich new knowledge and enhance communication to continuously enhance board functions.

Note 1: The name of a legal entity shareholder and its representative shall be disclosed.

Note 2: (a) If a director or supervisor being relieved of office before year end, it shall be notified as a remark. The actual rate of attendance shall be calculated according to the meetings held when he/she is at the post.

(b) If there is a re-election before year-end, the new directors and supervisors along with the original ones shall be disclosed, and the date of directors and supervisors being elected shall be stated. The actual rate of attendance shall be calculated according to the meetings held when they are at posts.

3.4.2 Audit Committee

In 2023, the 3rd Audit Committee held 8 times (A). The attendance of the Audit Committee is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate B/A (%) (Note)	Remarks
Independent director	Tse-Jen Huang	8	0	100	
Independent director	Che-Ho Wei	7	1	87.5	
Independent director	Rui-qi Chen	8	0	100	
Independent director	Cong-ling Guo	8	0	100	

Other matters to be recorded:

1. If the operation of the audit committee falls under any of the following circumstances, the meeting date of the audit committee, the period, the content of the proposals, the independent directors' objections, reservations or major recommendations, the results of the audit committee's resolutions, and the company's response to the audit committee shall be stated. Handling of comments.

(1) The matters listed in Article 14-5 of the Securities and Exchange Act.
(2) Except for the previously mentioned matters, other matters that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors.

The Audit Committee	The contents of the motion and follow-up	The matters listed in Article 14.5 of the Securities Exchange Act (Note 1、2)	unapproved by the Audit Committee, and more than two-thirds of all directors agreed to the matter	
The Thirteenth Audit Committee of the Third Session 2023.03.15	1. Discussion on the Internal Control Self-Assessment Report and Internal Control System Statement for the Year 2022.	v	None	
	2. Discussion on the Budget Execution Report for the Fourth Quarter of 2022 and the Financial Statements for the Year 2022	v	None	
	3. Discussion on the Consolidated Financial Statements for the Year 2022.	v	None	
	4. Discussion on the Revision of the Company's 'Procedures for Lending Funds to Others.	v	None	
	5. Discussion on the Lifting of Non-Compete Restrictions for the Company's Directors.	v	None	
	Results of the resolution of the Audit Committee: All members of the Audit Committee agreed to pass.			
	The company's handling of the opinions of the audit committee: all directors present agreed to approve it.			
The Fourteenth Audit Committee of the Third Session 2023.05.11	1. Discussion on the First Quarter Budget Execution Status Report and Consolidated Financial Statements for the Year 2023.	v	None	
	Results of the resolution of the Audit Committee: All members of the Audit Committee agreed to pass.			
	The company's handling of the opinions of the audit committee: all directors present agreed to approve it.			
The Fifteenth session of the third audit committee 2023.08.11	1. Discussion on the Second Quarter Budget Execution Status Report and Consolidated Financial Statements for the Year 2023.	v	None	
	2.The Simplified Merger Discussion between Our Company and Subsidiary Sunext Technology Co., Ltd.	v	None	
	Results of the resolution of the Audit Committee: All members of the Audit Committee agreed to pass.			
	The company's handling of the opinions of the audit committee: all directors present agreed to approve it.			
The Seventeenth Session of the Third Audit Committee 2023.10.11	1. Discussion on Product Line Planning for Subsidiary Shanghai Sunplus Technology Co., Ltd..	v	None	
	Results of the resolution of the Audit Committee: All members of the Audit Committee agreed to pass.			
	The company's handling of the opinions of the audit committee: all directors present agreed to approve it.			
The Eighteenth Audit Committee of the	1. Discussion on the Execution Status Report of the Third Quarter Budget for	v	None	

Third Session 2023.11.13	2023 and the Consolidated Financial Statements.		
	Results of the resolution of the Audit Committee: All members of the Audit Committee agreed to pass.		
	The company's handling of the opinions of the audit committee: all directors present agreed to approve it.		
The Nineteenth Audit Committee of the Third Session 2023.12.27	1. The Proposal for Amendment of Company Management Regulations.	v	None
	2. Discussion on the Appointment of Auditors and Independent Integrity Assessment for the Fiscal Year 2024.	v	None
	Results of the resolution of the Audit Committee: All members of the Audit Committee agreed to pass.		
	The company's handling of the opinions of the audit committee: all directors present agreed to approve it.		

2. The implementation of the independent director's recusal of the interest-related proposal shall state the name of the independent director, the content of the proposal, the reason for the recusal of interest, and the circumstances of participating in voting: none.

3. Communication between independent directors, internal audit supervisors and accountants (should include matters, methods and results of communication on the company's financial and business status, etc.):

1. The company's internal audit supervisor on March 15, 2023, May 11, 2023, August 11, 2023 and November 13, 2023, the independent directors reported the implementation of the internal audit plan and the implementation of the follow-up report, and fully communicated the implementation and effectiveness of the audit business.

2. On March 15, 2023, May 11, 2023, August 11, 2023 and November 13, 2023, the communication meeting will be held on the review or review results of the consolidated financial report for the fourth quarter of 2022 and the first to third quarters of 2023. The independent directors of the company may request the certified accountants to report and communicate with the independent directors at any time regarding the audit results of the financial statements (including the consolidated financial statements) and other relevant legal requirements.

Note:

Note 1 : If an independent director resigns before the end of the year, the resignation date should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of audit committee meetings and the actual number of attendances during his tenure.

Note 2 : Before the end of the year, if an independent director is reelected, the new and old independent directors should be filled in, and the remarks column indicates that the independent director is old, new or re-elected and the date of re-election. The actual attendance rate (%) is calculated based on the number of audit committee meetings during his tenure and his actual number of attendance.

Work focus of the audit committee:

The main functions of the audit committee of the company are to assist the board of directors in supervising the company's implementation of relevant accounting, auditing, financial reporting procedures and financial control.

The matters reviewed by the Audit Committee of the Company in 2023 mainly include:

1. Appropriate expression of the company's financial statements.
2. Appointment and independence assessment of certified accountants.
3. Effective implementation of the company's internal control.
4. The company complies with relevant laws and regulations

Review financial reports

The board of directors prepared the company's 2023 business report, financial statements and Proposal for Loss Compensation, among which the financial statements were checked by Deloitte Certified Public Accountants, and a check report was issued. The above-mentioned business report, financial statement and surplus distribution proposal have been checked by the Audit Committee and found that there is no discrepancy.

Assess the effectiveness of the internal control system

The audit committee evaluated the effectiveness of the company's internal control policies and procedures, and believed that the company's risk management and control system was effective, and the company had adopted the necessary control mechanisms to supervise it.

Appoint a chartered accountant

In order to ensure the independence of the certified public accountant firm, the audit committee of the company formulated an independence evaluation form in accordance with Article 47 of the Accountant Law and No. 10 of the

Public Accountant's Professional Ethics Bulletin to assess whether the certified public accountant is a mutual related person and has mutual ownership with the company. Items such as business or financial interests. On December 27, 2023, the 19th Audit Committee of the 3rd Session and the 22th Session of the 12th Board of Directors passed the resolutions to pass the independent assessment of Accountants Ye Donghui and Accountants Zhang Yayun of Deloitte.

3.4.3 Corporate Governance Implementation as Required by Taiwan Financial Supervisory Commission

Item	Implementation Status (Note 1)			Difference to "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies"
	Y	N	Summary	
1. Formulation of its own corporate governance principles	V		Sunplus and its subsidiaries Generalplus & Sunplus Innovation for the establishment of a good corporate governance system, participate in the "Code of Practice for Corporate Governance of Listed OTC", Code of Corporate Governance Practices, and disclosed on the public information observatory and company website. The rest of the subsidiaries has not formulated the related principles, however all of our rules and procedures are based on laws and regulations stipulated by authorities in charge.	No major Difference
2. Shareholding Structure and Shareholders' Rights	V		<p>(1) The company and its subsidiaries, Generalplus Technology and Sunplus Innovation Technology, in addition to appointing professional stock agencies to handle related businesses, have set up a complete spokesperson system to properly handle shareholder suggestions and dispute-related matters. Subsidiaries that have not been issued publicly have stock-related specialists to properly handle shareholder suggestions, doubts and disputes.</p> <p>(2) The Company and its subsidiaries Generalplus, and Sunplus Innovation use stock agency to grasp and understand the structure of major shareholders, and regularly declare the directors and managers of equity changes, to master the ultimate controlling shareholder of the major shareholders and major shareholders. Other subsidiaries shares regularly view the register of members at the end of each month, to master the ultimate controlling shareholder of the major shareholders and major shareholders.</p> <p>(3) 1. The company and Generalplus Technology have established "Investment Monitoring and Management Measures" to implement supervision of subsidiaries. 2. The company and Sunplus Innovation have established "Measures for Dealing with Related Persons" and "Measures for Dealing with Certain Companies and Group Enterprises", and Generalplus Technology has set up "Measures for Dealing with Group Enterprises and Related Persons". 3. The remaining subsidiaries also have various management measures, which have clear regulations on transactions with related companies to achieve risk control and firewall mechanisms. 1. The company, Generalplu Technology, and Sunplus Innovation Technology have formulated the "Management Procedures for Disclosure of Internal Material Information and Prevention of Insider Transactions" and "Operation Procedures for Integrity Management and Behavior Guidelines". The company and its subsidiaries have informed the company. Insiders strictly follow, prohibiting company insiders from using undisclosed information on the market to buy and sell securities. 2. In December 2022, the board of directors of our company, Generalplus Technology, and Sunplus Innovation Technology approved the revision of the "Management Procedures for Disclosure of Internal Material Information and Prevention of Insider Transactions", which clearly stipulates that directors shall not report to the company 30 days before the announcement of the annual financial report. Trading of company stocks during the closed period of 15 days before the quarterly financial report announcement.</p>	No major Difference
1) The way handling shareholders' suggestions or disputes	V			No major Difference
2) The Company's possession of major shareholders list and the list of ultimate owners of these major shareholders	V			No major Difference
3) Risk management mechanism and fire wall between the Company and its affiliates	V			No major Difference
4) Disclosure agreement to prohibit that those insiders may not take advantage of undisclosed information of which they have learned to engage in insider trading.	V		No major Difference	
3. Composition and Responsibilities of the BOD	V		<p>(1) A. Article 20 of the Company's Code of Practice on Corporate Governance (the ability of the board of directors as a whole) has clearly defined the composition of the board of directors. In addition to being a director of a company manager, it is not appropriate to exceed one-third of the board of directors. Operational, operational and development needs to develop an appropriate diversification approach. The nomination and selection of the board of directors of the Company follows the requirements of the Articles of Association and adopts the nomination system for candidates. In addition to assessing the eligibility of each candidate's academic experience, it also complies with the "Director's Election Method" and the "Code of Corporate Governance" to ensure the directors. Diversity and independence of members. B. The directors of the company have industrial experience, business, accounting, legal and other professional backgrounds. For specific management objectives and implementation, please refer to pages 10 to 12 of this annual report. C. Generalplus Technology and Sunplus Innovation Company have established the "Code of Practice for Corporate Governance". The composition of the board of directors pays attention to diversity and generally possesses the professional knowledge, skills and qualities necessary to perform their duties. The directors of each subsidiary also have different expertise in various fields, and the policy of diversification of board members has been implemented.</p> <p>(2) The company, Generalplus Technology and Sunplus Innovation Technology have established salary and remuneration committees and audit committees in accordance with the law, which are composed of all independent directors. The company, Generalplus Technology and Sunplus Innovation Technology also have a dedicated unit to promote corporate integrity management, and regularly report implementation status and results to the directors. In the future, other functional committees will be set up according to the legal environment, company operation and management needs assessment. Other subsidiaries currently have no salary and compensation committee, audit committee and other functional committees. In the future, they will be established according to the actual needs of the company.</p> <p>(3) 1. The company, Generalplus Technology and Sunplus Innovation Technology have successively formulated the "Board Performance Evaluation Method" in 2020 and 2021. The board of directors, individual directors and functional committees are regularly self-evaluated every year, and the results of performance evaluations are used as a reference for selecting or nominating directors; and the results of individual directors' performance evaluations are used as a reference for determining their individual remuneration.</p>	No major Difference
1) Whether the board of directors has formulated a diversity policy, specific management objectives and implementation.	V			No major Difference
2) In addition to setting up the remuneration committee and audit committee according to law, whether the company has voluntarily set up various other functional committees.	V			No major Difference
3) Whether the company has formulated the board performance evaluation method and its evaluation method, and conducts performance evaluation annually and regularly, and reports the results of the performance evaluation to the board of directors, and applies it to individual directors' salary and nomination renewal.	V			No major Difference
4) Regular evaluation of external auditors' independency				

		<p>2. The remaining subsidiaries have not formulated the "Board Performance Evaluation Method", but they review the functions of the board from time to time. In the future, the feasibility of formulating the board performance evaluation method will be evaluated based on the legal environment, company operating conditions and management needs.</p> <p>(4) The company, Generalplus Technology and Sunplus Innovative Technology evaluate the independence and suitability of the certified accountants of their companies every year. In addition to requiring the certified accountants to provide "Detached Independence Statement" and "Audit Quality Indicators (AQIs)", they also follow Note 2 Standards and 13 AQI indicators are evaluated. Refer to the AQI index information to confirm that the audit experience and training hours of accountants and firms are better than the average level of the industry. The company's assessment results for the most recent year have been discussed and approved by the Audit Committee on December 27, 2023, and submitted to the board of directors on December 27, 2023 for approval of the independence and suitability assessment of accountants. In December 2022 and February 2023, the board of directors of Generalplus Technology and Sunplus Innovation Technology approved the assessment of the independence and competence of accountants.</p> <p>At the end of the year, when the capital of each subsidiary reaches a certain amount or more, the independence of certified accountants will be evaluated, and the appointment of certified accountants will be decided by the board of directors.</p>	
4. Whether the listed OTC company is equipped with qualified and appropriate number of corporate governance personnel, and designated corporate governance directors, responsible for corporate governance related matters (including but not limited to providing directors and supervisors with the necessary information to perform business, assisting directors and supervisors to comply with laws and (According to the law, handle matters related to the meetings of the board of directors and shareholders' meetings, produce the minutes of the board of directors and shareholders' meetings, etc.)?)	V	<p>1. The company's board of directors passed a resolution on March 29, 2021 to appoint the manager of the chairman's office as the director of corporate governance. The director of corporate governance of Generalplus Technology and Sunplus Innovation Technology, and passed the resolution of the board of directors of Generalplus Technology and Sunplus Innovation Technology in February 2023. The head of corporate governance of the company has not concurrently served as the head of corporate governance and director of the subsidiary, but has not concurrently held positions in the company or other companies.</p> <p>2. The main responsibilities of the company's corporate governance officer include handling matters related to the board of directors and shareholders meeting in accordance with the law, and assisting the company in complying with the relevant laws and regulations of the board of directors and shareholders meeting, providing directors with the information needed to perform their business, and the latest legal development related to operating the company To assist directors in complying with the law.</p> <p>3. Key points of the company's business execution in 2023:</p> <p>(1) Consolidate the meeting agenda for the board of directors and committees, specify the convening matters and send a convening notice to the directors or members seven days before the meeting, and provide sufficient meeting materials so that the participants can accurately understand the relevant information about the proposals; When the director or committee member himself or the legal person represented by him has an interest, he also reminds him to avoid interest.</p> <p>(2) Responsible for the minutes of the board of directors and shareholders' meetings on the day of the board of directors and shareholders' meetings, and publish important information or announcements of important resolutions after the meeting to ensure the legality and accuracy of the disclosed information to ensure the equivalence of investor transaction information.</p> <p>(3) Handle the change registration of the company's various operations.</p> <p>(4) Evaluate the purchase of "Directors' and Managers' Liability Insurance" with a suitable amount of insurance, complete the insurance matters, and report the contents of the insurance to the board of directors.</p> <p>(5) Provide directors with relevant training information from time to time, reminding them to study and complete relevant declarations in accordance with the stipulated hours of the "Main Points for Implementation of Training for Directors and Supervisors of Listed OTC Companies".</p> <p>(6) From time to time, provide board members with information on new issued or revised laws and regulations related to directors' business execution, corporate governance or business operations.</p> <p>(7) Review the compliance status of the corporate governance evaluation indicators one by one every year, and propose improvement plans and corresponding measures for indicators that have not scored.</p> <p>(8) Provide operating information such as company business or finance according to directors' needs, and maintain smooth communication and exchanges between directors and business executives.</p> <p>4. Please note 3 for details of the training situation of the company's corporate governance supervisor.</p>	No major Difference
5. Communication channel with Stakeholders (Including but not limited to shareholders, employees, customers and suppliers), and set up a special area for stakeholders on the company website, and properly respond to important corporate social responsibility issues that stakeholders are concerned about.	V	<p>1. The company and its subsidiaries maintain good relationships with banks, suppliers, and other interested parties of the company, uphold the principle of good faith, provide adequate business information, and properly safeguard their legitimate rights and interests.</p> <p>2. The company's stakeholders are concerned about topics, communication methods, and implementation status. Note 4 in detail.</p> <p>3. The company, Generalplus Technology and Sunplus Innovation Technology have set up a special area for stakeholders on the company website, set up different corresponding windows for different stakeholders, and set up a complete system and response mechanism to ensure that stakeholders are concerned Appropriate response to the issue. The company has reported to the board of directors on the situation of communication with various stakeholders in 2023 on December 27, 2023.</p> <p>4. The remaining subsidiaries also provide detailed contact information on the company's website. If necessary, interested parties can contact them by telephone, letter, fax, and e-mail at any time.</p>	No major Difference
6. Engaging professional shareholder services agent to handle shareholders meeting matters	V	<p>Sunplus, Generalplus, Sunplus Innovation Technology : China Trust Commercial Bank Corporate Trust Operation and service Department</p> <p>Other subsidiaries have dedicated personnel in charge of shareholding affairs to properly handle various matters related to shareholders' meetings.</p>	No major Difference

<p>7. Information Disclosure</p> <p>1) Establishment of corporate website to disclose information regarding the Company's financials, business, and corporate governance status</p> <p>2) Other information disclosure channels (ex. English website, appointing responsible people to handle information collection and disclosure, appointing spokesman, webcasting investors conference)</p> <p>3) Whether the company announces and declares the annual financial report within two months after the end of the fiscal year, and announces and declares the first, second, and third quarter financial reports and the monthly operating situation within the prescribed period.</p>	<p>V</p> <p>V</p> <p>V</p>	<p>V</p>	<p>(1) The company, Generalplus Technology and Sunplus Innovation Technology have set up Chinese and English websites to set up special areas to disclose financial business and corporate governance information. Sunplus, Generalplus, and Sunplus Innovation Technology have established English website, and have assigned spokesperson, acting spokesperson and designated specialists to disclose and collect the company's information. Other subsidiaries are responsible for the collection and disclosure of company information, there is currently no speaker yet.</p> <p>(2) Generalplus Technology announced and filed its annual financial report within two months after the end of the fiscal year. Although the company did not announce and file the annual financial report within two months after the end of the fiscal year, it still announced and filed the annual financial report before the deadline prescribed by laws and regulations. Financial reports and financial reports for the first, second and third quarters and operating conditions in each month.</p>	<p>No major Difference</p> <p>No major Difference</p>
<p>8. Other important information to facilitate better understanding of the Company's corporate governance (such as human rights, employee rights, employee wellness, community participation, social contribution, community service, investor relations, supplier relations, shareholders' rights, customer relations, the implementation of risk management policies and risk evaluation measures, the implementation of consumers/customers protection policies, and purchasing insurance for directors and supervisors.):</p>	<p>V</p>		<p>(1) Employee rights: Sunplus and its subsidiaries have made and followed the internal management procedures regarding employee rights under the regulations of the Labor Standards Act and Gender Equality in Employment Act.</p> <p>(2) Employee wellness: Sunplus and its subsidiaries have made and followed the internal management procedures regarding employee wellness.</p> <p>(3) Investor relations: Sunplus and its subsidiaries have set a investor relations professionals to communicate with investors and disclose the operations and financials.</p> <p>(4) Supplier relations: Sunplus and its subsidiaries have good relationship with suppliers and manage the supply chains efficiently.</p> <p>(5) Stakeholders: Sunplus and its subsidiaries respect all stakeholders and have established the channels to communicate with stakeholders.</p> <p>(6) Directors and supervisors' training: The company and its subsidiaries encourage directors and supervisors to participate in continuing education courses. The company also publishes directors' continuing education status at the public information observatory.</p> <p>(7) Implementation of risk management policies and risk evaluation measures: Internal rules and procedures are based on laws and regulations stipulated by authorities in charge</p> <p>(8) Customer: Sunplus and its subsidiaries provide best service to Customers based on internal rules and procedures</p> <p>(9) Sunplus, Generalplus and Sunplus Innovation Technology have taken liability insurance for directors and supervisors with respect to liabilities resulting from exercising their duties in Sunplus and subsidiaries.</p>	<p>No major Difference</p>
<p>9. Please review the results of the corporate governance evaluation issued by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd. in recent years, and to give priority to matters and measures that have not yet been improved: The company's improvement in 2023 is as follows :</p> <p>(1) Indicator 3.11: The company has disclosed specific and explicit dividend policies in its 2022 annual report.</p> <p>(2) Indicator 3.20: The company was invited to participate in corporate briefings on August 16th and December 5th, 2023, with an interval of more than three months between the two briefings.</p> <p>(3) Indicator 4.18: The company has disclosed governance information, strategies, risk management, metrics, and targets related to climate-related risks and opportunities in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework.</p>				

Note 1: Whether or not "yes" or "no" is checked, it should be stated in the summary description field.

Note 2: The evaluation criteria for the independence of the Company's accountants are as follows:

Sunplus Technology
Accountant Independence Assessment Criteria

Evaluation items	Evaluation result	Whether it is independent
1. Whether the accountant has a direct or significant indirect financial interest relationship with the Company	No	Yes
2. Whether the accountant has a financing or guaranteeing action with the Company or the directors of the Company	No	Yes
3. Whether the accountant has a close business relationship or potential employment relationship with the Company	No	Yes
4. Whether the accountants and their members of the audit team are currently directors or managers in the current or the last two years or have a significant impact on the audit work	No	Yes
5. Whether the accountant has provided non-audit services to the Company that may directly affect the audit	No	Yes
6. Whether the accountant has any stock or other securities issued by the Company	No	Yes
7. Apart from performing business permitted by laws and regulations, do accountants represent the Company in legal cases or other disputes with third parties	No	Yes
8. Whether the accountant has a kinship with the directors, managers or persons who have a significant impact on the audit	No	Yes

AQIs 5 dimensions and 13 indicators

Dimension 1: Professionalism	Assessment Focus
1-1 Review experience	Whether the senior inspectors have sufficient audit experience to perform the inspection work.
1-2 Training Hours	Whether accountants and senior auditors receive sufficient education and training every year to continuously acquire professional knowledge and skills.
1-3 turnover rate	Whether the firm maintains enough senior human resources.
1-4 Professional Support	Whether the firm has enough professionals (such as evaluators) to support the verification team.
Dimension 2: Quality Control	Assessment Focus
2-1 Accountant load	Whether the accountant's workload is too heavy.
2-2 Check input	Check whether the input of team members is appropriate at each stage.
2-3 Case EQCR	Whether the EQCR accountant devotes enough time to the review of audit cases.
2-4 Quality Control Support Ability	Whether the firm has sufficient quality control manpower to support the inspection team.
Dimension 3: Independence	Assessment Focus
3-1 Public fees for non-audit services	The Influence of the Proportion of Public Fees for Non-audit Services on Independence.
3-2 Customer Familiarity	The influence of the cumulative number of years of auditing cases in the firm's annual financial report on the independence.
Dimension 4: Monitor	Assessment Focus
4-1 Missing external inspection and punishment	Whether the firm's quality control and audit cases are implemented in accordance with relevant laws and standards.
4-2 The competent authority issued a	Whether the firm's quality control and audit cases are

letter to improve	implemented in accordance with relevant laws and standards.
Dimension 5: Innovation Capability	Assessment Focus
5-1 Innovation Capability	The accounting firm's commitment to improving audit quality, including the accounting firm's innovation capability and planning.

Note 3: Corporate Governance Executive Training Situation:

Name/Title	Date	Organizer	Course Title	Time
PhoebeChen Chairman's Office Manager/ Head of Corporate Governance	2023.04.11	ROC Corporate Management and Sustainable Development Association	Election of Directors and Supervisors and Equity Planning Amidst Ownership Battles	3 hours
	2023.06.29	ROC Corporate Management and Sustainable Development Association	Carbon Reduction Issues and their IFRS Accounting Treatment	3 hours
	2023.10.20	Republic of China Securities and Futures Market Development Foundation	Insider Trading Prevention Advocacy Meeting for the Fiscal Year 2023	3 hours
	2023.12.08	Republic of China Securities and Futures Market Development Foundation	Internal Trading of Shares by Insiders Legal Compliance Awareness Seminar for the Fiscal Year 2023	3 hours

Note4: Stakeholders of the company are concerned about issues, communication methods and impl

boundary	Stakeholder	Concerns	Communication route	Communication frequen	Contact window	2023 implementation status
Internal	Staff	Salary, Welfare, Education and Training, Occupational Health and Safety, Quality System, HSF Management	Staff communication meeting	Once every six months	Spokesperson Joseph Chuang, Director HR@sunplus.com	Hold 2 meetings and announce colleagues' questions and replies
			Employee welfare committee	Irregular	Spokesperson Joseph Chuang, Director HR@sunplus.com	More than 50 announcements related to the Welfare Committee Forum in the internal life communication channel
			Labor Retirement Reserves Supervision Committee	Once per quarter	Spokesperson Joseph Chuang, Director HR@sunplus.com	4 meetings are held, and meeting minutes are available for inquiry
			Internal promotion	Irregular	Spokesperson Joseph Chuang, Director HR@sunplus.com	E-mail, posters, announcements, etc. irregular publicity
			Employee performance interview	2 times a year	Spokesperson Joseph Chuang, Director HR@sunplus.com	Conduct an employee performance interview in the middle of the year and at the end of the year, prepare a performance and future development analysis table for reference, and the achievement rate is over 90%
			Labor-management meeting	Once per quarter	Spokesperson Joseph Chuang, Director HR@sunplus.com	4 meetings are held, and meeting minutes are available for inquiry
			Occupational Safety and Health Committee	Once per quarter	Environmental Safety Shamir Chang shamir.chang@ sunplus.com	4 meetings are held, and meeting minutes are available for inquiry
	Board	Sustainable Development	Sustainable Development Implementation Report	Once per year	Spokesperson Joseph Chuang, Director shamir.chang@ sunplus.com	On August 11, 2023, the board of directors will report on the implementation status in 2022.
			Greenhouse gas inventory and verification schedule planning report	Once per quarter	Spokesperson Joseph Chuang, Director shamir.chang@ sunplus.com	1. On May 13, 2022, the board of directors submitted the greenhouse gas inventory and verification schedule planning. 2. On February 15, 2023, the board of directors submitted Group (including subsidiaries) the greenhouse gas inventory and verification schedule planning. 3. In 2023, in February, May, August, and November, the board of directors reported the implementation progress of the greenhouse gas inventory and verification schedule.
		Communication with stakeholders	Report on the Communication between the Company and Stakeholders	At least once per year	Spokesperson Joseph Chuang, Director shamir.chang@ sunplus.com	Report to the Board of Directors on December 27, 2023.
external	client	Customer appeal	Customer complaints	Cases based on customer complaints	Quality and Reliability Engineering Department Aleck Lin QA@sunplus.com	In 2023, there were a total of 53 customer complaint cases. Among them, 18 cases were attributed to Lingveng's responsibility, including 4 cases related to test coverage, 1 case caused by duplicate MAC addresses in production MO, and 13 cases classified as early fails, mainly related to DRAM and SRAM failures. All cases were successfully resolved.
		Customer satisfaction	customer satisfaction survey	2 times a year	Quality Systems Department Cindy Chang QA@sunplus.com	In the two surveys at the beginning of the year and the middle of the year, the customer satisfaction o quality was 8.91 / 9.222 points (out of 10 points), and HSF customers' satisfaction was 9.43/9.53 points. All relevant issues were closed.
		Product quality and hazardous substance requirements	mail	Irregular	Quality Systems Department Lucy Sun QA@sunplus.com	Quality and hazardous substance requirements, a total of 49 external document specifications (48 cases of customer regulations and an additional 1 case of customer specifications) all of which are properly processed
	Agent	Bad quarters inventory	Bad quarters inventory	Quarterly	Quality Systems Department Cindy Chang QA@sunplus.com	2023 All Complete
	Outsourcing factory	Green product requirements	GPM system	Update of reporting period, new product release, new specification requirements	Quality Systems Department Lucy Sun QA@sunplus.com	246 report updates in 2023
		Supplier management approach	Quality/environmental assessment of existing outsourcing factories	Held once a year for each factory	Quality Assurance Department Tiffany Ho QA@sunplus.com	Carry out assessment on the quality/environmental safety and health of existing outsourcing factories, counting 12 factory times
	Tenant	Relevant environmental protection and safety regulations	Meeting, E-mail, Line notification	Irregular	Environmental Safety Shamir Chang shamir.chang@ sunplus.com	Establish a project coordination LINE group to contact and notify relevant matters
	Government agencies	Statute compliance	Official document round trip, meeting, E-mail	Irregular	Spokesperson Joseph Chuang, Director shamir.chang@ sunplus.com	1. Participate in seminars and symposia held by competent authorities 2. Cooperate with the competent authority in supervision and inspection 3. Set up a contact window to maintain good interaction with the competent authorities
	Shareholders and investors	Operational performance, Risk Management, Corporate Governance, Shareholder participation	Annual report	Once a year	Spokesperson Joseph Chuang, Director IR@sunplus.com	1. On May 24, 2023, the 2022 annual report will be uploaded on the Public Information Observatory 2. Quarterly upload of financial reports in 2023
			Financial report	Once per quarter	Spokesperson Joseph Chuang, Director IR@sunplus.com	
			Legal person briefing meeting	twice a year	Spokesperson Joseph Chuang, Director IR@sunplus.com	Legal person briefing sessions was held on August 16, 2023, and December 05, 2023.
			Shareholder regular meeting	Once a year	Spokesperson Joseph Chuang, Director IR@sunplus.com	A regular meeting of shareholders will be held on June 13, 2023.
			The official website sets up a special area for corporate social responsibility and stakeholders	at any time	Spokesperson Joseph Chuang, Director IR@sunplus.com	A special area for corporate social responsibility and stakeholders has been set up on the official website.
Set up a contact window for stock affairs and investor relations for two-way communication			at any time	Spokesperson Joseph Chuang, Director IR@sunplus.com	The services and investor relations contact window provides external communication channels.	

3.4.4 Disclosure of Operations of the Company's Compensation Committee:

1. Qualifications and Independence Analysis

2024/04/14

Status(Note 1)	Name	Condition	Professional qualifications and experience (Note 2)	Independence situation (Note 3)	Number of members of the salary and remuneration committee of other public offering companies
Independent Director (Convener)	Che-Ho Wei	Please refer to the relevant content of Schedule 1 Director Information (1) on pages 11 to 13			0
Independent Director	Tse-Jen Huang				2
Independent Director	Rui-Qi Chen				0
Independent Director	Cong-Ling Guo				0

Note 1: Please provide specific details in the table regarding the work tenure, professional qualifications, experience, and independence status of each member of the Compensation Committee. If the member is an independent director, please annotate to refer to the relevant content on pages 10 to 12 of Annex 1 Director and Supervisor Information (1). Indicate whether they are an independent director or other (please add a note if they are the convener).

Note 2: Professional qualifications and experience: describe the professional qualifications and experience of individual compensation committee members.

Note 3: Condition of independence: state that the members of the Compensation and Remuneration Committee meet the conditions of independence, including but not limited to whether I, my spouse, or relatives within the second degree of kinship serve as directors, supervisors or employees of the company or its affiliated companies; I, spouse, relatives within the second degree of relatives (or in the name of others) hold the number and proportion of the company's shares; whether it is a company that has a specific relationship with the company (refer to the listing of stocks or the establishment and exercise of powers of the company's compensation committee at the business office of a securities firm) The director, supervisor or employee of Article 6, Paragraph 1, Subparagraphs 5 to 8); the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.

Note 4: For disclosure methods, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange

2. Operation

1. BOD appointed 4 independent director to be members of compensation committee.

2. The term of office of the current committee members: From July 28, 2021 to July 19, 2024, the 5th Salary and Remuneration Committee of 2023 held 2 meetings (A), membership qualifications and attendance The situation is as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate(B/A) (%) (Note)	Remarks
Convener	Che-Ho Wei i	2	0	100	
Member	Tse-Jen Huang	2	0	100	
Member	Chen Ruiqi	2	0	100	
Member	Guo Congling	2	0	100	

Other information required to be disclosed:

1. If the board of directors does not adopt or amend the recommendations of the compensation and remuneration committee, it shall state the date of the board of directors, the period, the content of the proposal, the result of the resolution of the board of directors, and the company's handling of the opinions of the compensation and compensation committee (for example, the compensation and compensation approved by the board of directors is superior to the compensation and compensation committee) The recommendations of the Compensation and Compensation Committee shall be stated and the reasons for the differences shall be stated): The Board of Directors has adopted and has not amended the recommendations of the Compensation and Compensation Committee.

2. For matters resolved by the Compensation and Remuneration Committee, if members have objections or reservations and have a record or written statement, the date of the Compensation and Remuneration Committee, the period, the content of the proposal, the opinions of all members and the handling of the opinions of the members shall be stated: Remuneration Committee All members unanimously agreed to the resolutions of the Remuneration Committee without any objection or reservation.

Note:

(a) If the member being relieved of office before year end, it shall be notified as a remark. The actual rate of attendance shall be calculated according to the meetings held when he/she is at the post.

(b) If there is a re-appointment before year-end, the new member along with the original ones shall be disclosed, and the date of member being appointed shall be stated. The actual rate of attendance shall be calculated according to the meetings held when he/she is at the post.

3. Review salary and remuneration regularly The function of the company's salary and remuneration committee is to evaluate the company's directors and managers' salary and remuneration policies and systems with a professional and objective status. It meets at least two times a year and may hold meetings at any time as needed to make recommendations to the board of directors. For their decision-making reference

(1). The powers of the company's salary and remuneration committee

(A) Review this regulation regularly and propose amendments.

(B) Formulate and regularly review the policies, systems, standards and structures of the performance and remuneration of the company's directors and managers.

(C) Regularly evaluate the performance of the company's directors and managers, and determine the content and amount of their remuneration.

(2). When the Salary and Compensation Committee performs its functions and powers, it shall be based on the following standards Ensure that the company's salary and remuneration arrangements comply with relevant laws and regulations and are sufficient to attract outstanding talents.

(1) Ensure that the company's salary and remuneration arrangements comply with relevant laws and regulations and are sufficient to attract outstanding talents.

(2) The performance evaluation and salary remuneration of directors and managers should refer to the normal level of payment in the industry, and consider the time invested by the individual, the responsibilities he undertakes, the achievement of the profit center goal, the performance of other positions, and the company has given the same in recent years. Salary and remuneration for position holders, as well as the rationality of the relationship between individual performance and the company's operating performance and future risks as assessed by the achievement of the company's short-term and long-term business objectives and the company's financial status.

(3) Guide directors and managers to engage in behavior that exceeds the company's risk appetite in pursuit of remuneration.

(4) The proportion of short-term performance bonuses for directors and senior managers and the payment time of part of the variable salary remuneration shall be determined in consideration of industry characteristics and the nature of the company's business.

(5) The members of this committee shall not participate in the discussion and voting on the decision of their personal salary and remuneration.

4. The content of the proposals and resolutions of the Salary and Compensation Committee in 2023, and the company's handling of the opinions of the Salary Committee:

Compensation Committee	Proposal content and follow-up processing	Resolution result	Company's Compensation Committee Handling of opinions
The eighth time of the fifth session, 2023.03.15	Discussion on the distribution of employee compensation and director remuneration for the fiscal year 2022	Agreed by all members	All the directors present at the board of directors agreed to pass
The ninth time of the fifth session, 2023.08.11	1. Discussion on the 2023 company-wide salary adjustment and manager performance-based salary adjustment 2. Discussion on the distribution of director remuneration for the fiscal year 2022	Agreed by all members	All the directors present at the board of directors agreed to pass

Social Responsibilities Implementation Status (such as environment protection, community participation, contribution to community, social service, charity, consumer rights, human rights and other social responsibilities):

3.4.5 The implementation of sustainable development initiatives and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, along with the reasons for these differences

Item	Implementation Status (Note 1)			Deviations from “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and reasons																																																																													
	Y	N	Summary (Note 2)																																																																														
1. Has the company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	V		<p>1. In order to improve the management of sustainable development, the company organizes an interdepartmental organization for sustainable development, and sets up three working groups (see attached table) for economy, environment and society; the administrative management department is responsible for sustainable development policies, systems or The board of directors also authorizes the director of the department to deal with the proposal and implementation of relevant management guidelines and specific promotion plans, and regularly report the situation to the board of directors. The last time the company reported to the board of directors the promotion of sustainable development was August 11, 2023. The board of directors reviews sustainable development management measures, urges the company to practice sustainable development, and reviews its implementation effectiveness and continuous improvement at any time to ensure the implementation of sustainable development policies.</p> <table border="1"> <thead> <tr> <th rowspan="2">Team</th> <th rowspan="2">Corresponding department</th> <th rowspan="2">Chairman</th> <th rowspan="2">Finance and accounting</th> <th colspan="2">Administration</th> <th rowspan="2">EHS</th> <th rowspan="2">QS</th> <th rowspan="2">QC</th> <th rowspan="2">PM/RD</th> <th rowspan="2">Sales</th> </tr> <tr> <th>Human resources</th> <th>Administration</th> </tr> </thead> <tbody> <tr> <td>Economy</td> <td></td> <td>V</td> <td>V</td> <td></td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> </tr> <tr> <td>Environment</td> <td></td> <td></td> <td></td> <td></td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td></td> </tr> <tr> <td rowspan="3">Society</td> <td>Labor Condition and Dignified Labor</td> <td></td> <td></td> <td>V</td> <td>V</td> <td>V</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Human rights</td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Society</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td>V</td> </tr> <tr> <td></td> <td>Product responsibilities</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> </tr> </tbody> </table> <p>2. Generalplus Technology has established a sustainable promotion committee and a sustainable promotion cross-departmental working group. Sunplus Innovation Technology has established a Sustainability Promotion Task Force. Although other subsidiaries have not set up full-time (part-time) units to promote sustainable development, they have spared no effort in environmental protection and related social responsibility activities.</p>	Team	Corresponding department	Chairman	Finance and accounting	Administration		EHS	QS	QC	PM/RD	Sales	Human resources	Administration	Economy		V	V		V		V	V	V	V	Environment					V	V	V	V	V		Society	Labor Condition and Dignified Labor			V	V	V					Human rights	V		V	V	V	V				Society	V	V	V	V	V		V	V	V		Product responsibilities						V	V	V	V	No major Difference
Team	Corresponding department	Chairman	Finance and accounting					Administration							EHS	QS	QC	PM/RD	Sales																																																														
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Environment					V	V	V	V	V																																																																								
Society	Labor Condition and Dignified Labor			V	V	V																																																																											
	Human rights	V		V	V	V	V																																																																										
	Society	V	V	V	V	V		V	V	V																																																																							
	Product responsibilities						V	V	V	V																																																																							
2. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the company's operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies? (Note 2)	V		<p>The company and its subsidiaries operate through sustainable development cross-departmental organizations and various management systems, using the company as the boundary of risk assessment, through internal meetings of sustainable development cross-departmental organizations and risk assessment meetings of various management systems, according to the principle of materiality, Risk assessments are carried out on environmental, social and corporate governance issues related to operations. The company's latest risk assessment completed the annual risk assessment on September 15, 2023.</p> <p>Based on the assessed risks, formulate relevant risk management policies or strategies as follows:</p> <table border="1"> <thead> <tr> <th>Major Issue</th> <th>Risk Assessment Projects</th> <th>Risk Management Policies or Strategies</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental protection, Energy saving, and Carbon reduction</td> <td>The company is committed to environmental protection and energy saving. Located in the upper reaches of the semiconductor industry, the company exerts its excellent R&D technology and continues to promote high-level semiconductor process technology to save chip energy consumption, thereby driving the use of power energy in downstream consumer electronics terminal products. Through the implementation of environmental management (EMS) and the institutionalized PDCA management cycle, the impact on the environment is</td> </tr> </tbody> </table>	Major Issue	Risk Assessment Projects	Risk Management Policies or Strategies	Environment	Environmental protection, Energy saving, and Carbon reduction	The company is committed to environmental protection and energy saving. Located in the upper reaches of the semiconductor industry, the company exerts its excellent R&D technology and continues to promote high-level semiconductor process technology to save chip energy consumption, thereby driving the use of power energy in downstream consumer electronics terminal products. Through the implementation of environmental management (EMS) and the institutionalized PDCA management cycle, the impact on the environment is	No major Difference																																																																							
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				effectively reduced; at the same time, plans and programs for implementation are formulated every year, and the progress of various goals is tracked and reviewed regularly to ensure the goals achieved.	
			Task Force on Climate-related Financial Disclosures (TCFD)	Based on the four major aspects of governance, strategy, risk management, indicators and goals, the company has evaluated the guiding principles and specific practices of planning.	
			Society	1. Occupational safety and health	1. The company obtained two international and Taiwan occupational safety and health management system (ISO45001 and TOSHMS) dual certifications in 2019, and regularly holds fire drills and occupational safety and health education and training every year to cultivate employees' emergency response and self-safety management capabilities.
				2. Product Security	2. All products of the company comply with various product and service laws and regulations regulated by the government, and comply with EU RoHS/REACH regulations on hazardous substances. And through strict quality system management, we provide customers with stable product quality. At the same time, in order to ensure customer service quality and improve customer satisfaction, we set up customer service hotlines and communication websites, and actively conduct customer service satisfaction surveys every year to strengthen the relationship with customers. The cooperative relationship with customers has become the cornerstone of the sustainable development of the enterprise through the mutual benefit and co-prosperity relationship with customers.
			Corporate Governance	Socioeconomic and Legal Compliance	Through the establishment of a governance organization and the implementation of an internal control mechanism, it is ensured that all personnel and operations of the company truly comply with relevant laws and regulations.
			3. Environmental issues		

(1) Whether the company establishes an appropriate environmental management system according to its industrial characteristics.	V	<p>1. The company has dedicated environmental protection personnel to manage the legal environmental protection management work; the company's standards superior to the management system are implemented by the environmental management system chief auditor to implement system operation and management; it has passed the environmental management system ISO14001:2015 certification, and the certificate is valid. The period ends on February 9, 2026.</p> <p>2. Subsidiaries are exempted from setting up special environmental protection personnel in accordance with the law, but there are still special personnel to promote relevant environmental management work.</p>	No major Difference
(2) Whether the company is committed to improving the utilization efficiency of various resources and using recycled materials with low impact on environmental load.	V	<p>1. The company and its subsidiaries have promoted paperless operations and the use of energy-saving lamps and water-saving appliances, while implementing the policy of turning off lights and saving water.</p> <p>2. The company optimizes the operating system of the factory facilities and actively promotes various waste reduction activities to increase the operating efficiency of the factory system and reduce the impact on the environment; with the goal of saving energy by 1% year by year, the company's 2023 annual electricity consumption is 6,983 kilowatt-hours , compared with 7,135 kilowatt in 2022, it has reached the standard.</p> <p>3. The company and its subsidiaries abide by relevant environmental laws and regulations, actively respond to the recycling and classification of resources, and promote the use of various recycled materials and packaging materials to reduce the impact on the environment.</p>	No major Difference
(3) Whether the company assesses the potential risks and opportunities of climate change to the company now and in the future, And take relevant responsive measures.	V	The IC design industry is located in the upstream of the semiconductor industry. The company and its subsidiaries have no relevant manufacturing procedures. If there is a real risk caused by climate change, it should only increase the cost due to the increase in electricity and water used for air conditioning and office lighting. However, the optimization of the operating system of factory facilities reduces energy consumption and the impact on the environment; the company and its subsidiaries continue to promote advanced semiconductor process technology and practice Moore's Law in order to use excellent R&D technology to save chip energy consumption , and then drive the power energy usage of downstream consumer electronics terminal products. In terms of product design, provide more energy-saving solutions to increase product adoption.	No major Difference
(4) Does the company count greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for greenhouse gas reduction, water and other waste management.	V	<p>1. In accordance with the ISO14064 standard, the company takes the year of 2022 as the base year for the inventory, and conducts the greenhouse gas emission inventory every year. Currently, the ISO14064:2018 version is used as the standard to implement the self-inspection. The inspection boundary is the company's own factory area. Our company has set a target to reduce indirect greenhouse gas emissions by 2% annually. Greenhouse gas emissions in 2023 were 3,459.469 tons/carbon dioxide equivalent, which was reduced by about 4.81% compared with 3,634.229 tons/carbon dioxide equivalent in 2022; exceeding the set 2% reduction target. And we have met the target every year from the baseline year to 2023.</p> <p>2. Of the annual greenhouse gas emissions of 3,459.229 (tons-CO₂e) in 2023, those that belong to [a. Direct greenhouse gas emissions and removal] (that is, ISO14064:2006 [Scope 1], direct emitters (such as fuel consumption of official vehicles and generator oil) is 2.7660 metric tons-CO₂e, only about 0.080%. The rest belong to [b. Indirect greenhouse gas emissions from input energy] (that is, [Scope 2] of ISO14064:2006, purchased electricity and other energy indirect emissions produce).</p> <p>3. The water consumption of the company's own factory area in 2023 was 25.59 thousand tons, compared with 29.24 thousand tons in 2022, saving about 12.48% of water.</p> <p>4. The company produced 103.57 tons of general industrial waste in 2023, with a monthly average of 8.63 tons, including general waste from business activities (D-1801), waste plastic mixture (D-0299), waste fiber mixture (D-0899) Three categories, and D-1801 category accounted for 79.43%; another IC defective product (hazardous industrial waste listed in the Environmental Protection Act) was 0.49 tons, and the output was very small; the total weight statistics, evaluation and difference analysis of industrial waste, It is in line with the content of "risk control, disaster prevention" and "energy saving, waste reduction, and sustainable environment" in the environmental safety and health management policy formulated by the company.</p> <p>5. In order to fulfill the commitment of environmental protection, the subsidiary has set the reduction of the company's overall carbon emissions as the company's long-term improvement goal, Generalplus Technology and Sunplus Innovative Technology and has carry out self-inspection, expecting to reduce greenhouse gas emissions year by year, and is committed to energy conservation, recycling Waste, compliance with environmental regulations, and commitment to pollution prevention and continuous improvement.</p>	No major Difference
4. Social issues			
(1) Has the company formulated relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	V	<p>The company and its subsidiaries abide by labor-related laws and regulations, and formulate relevant work rules to protect the rights and interests of employees preferentially, and provide information to enable employees to understand their rights and interests. The various management policies and procedures are summarized as follows:</p> <p>1. Human Rights Policy: In order to fulfill corporate social responsibility and protect the basic human rights of all colleagues, customers and stakeholders, the company and Generalplus Technology and Sunplus Innovative Technology strive to comply with and abide</p>	No major Difference

		<p>by the relevant provisions of various international human rights conventions, and follow the "United Nations Universal Declaration of Human Rights" and "United Nations Guiding Principles on Business and Human Rights" , "United Nations Global Covenant" and "United Nations International Labor Organization" and other international human rights conventions and labor standards related labor laws, respect internationally recognized basic human rights, including freedom of association, care for vulnerable groups, prohibition of child labor, elimination of forced labor in various situations, and elimination Discrimination in employment and employment, protection of the legitimate rights and interests of employees, and formulation of relevant management policies and procedures in accordance with the law.</p> <p>2. Human rights risk mitigation measures: In order to mitigate human rights risks, the company and Generalplus Technology and Sunplus Innovative Technology are committed to the improvement of various working environments and working conditions.</p> <p>3. Relevant education and training: The company and Generalplus Technology arrange relevant laws and regulations publicity courses during working hours, and increase the efficiency of course absorption through the recording and design of e-learning online courses, so as to enhance employees' understanding of relevant laws and information. Please refer to Note 4 for detailed human rights concerns and corresponding practices.</p>	
(2) Whether the company has formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits), and appropriately reflected the operating performance or results in employee compensation?	V	<p>The company is committed to creating an equal and inclusive working environment, including gender and age diversity; at the same time, it also provides all colleagues with opportunities for promotion with consistent standards and implements the concept of equal rights and justice. The ratio of male employees to female employees is about 66:34, and among supervisors, female supervisors account for 28%.</p> <p>The company and its subsidiaries provide a leave system that is superior to the law, such as special vacation days that are superior to the law, 10 days of paid sick leave each year, and 19 days of national holidays and anniversaries.</p> <p>And in accordance with the Organizational Guidelines for Employee Welfare Committees promulgated by the Ministry of Labor, the company invites various departments to appoint members to form an employee welfare committee to coordinate the company's welfare committee funds and promote various welfare measures. The allocation ratio has always been 0.15% of revenue (the legal maximum ratio), allowing the Welfare Committee to plan more diverse and interesting welfare projects. According to the company's articles of association, if the company has a profit in the year, it should allocate no less than 1% as employee compensation and no more than 1.5%. Remuneration for directors. However, when the company still has accumulated losses (including adjusting the amount of undistributed surplus), it should reserve the amount to make up in advance.</p> <p>The annual overall reward and remuneration issued by the company and its subsidiaries will be determined based on the achievement of the company's overall operating goals, the annual profit status, and the individual performance and investment of employees. Before July every year, the company will measure the overall salary level of its peers in the market, employees' individual performance, future development and other related principles, and appropriately adjust salaries for colleagues. Annual employee remuneration must be approved by the board of directors and reported at the shareholders' meeting, and disclosed in the company's annual report.</p>	No major Difference
(3) Whether the company provides a safe and healthy working environment for employees, and regularly implement safety and health education for employees.	V	<p>The company and its subsidiaries provide facilities and environments that are superior to occupational safety and health laws and regulations. Set up special organizations and personnel in accordance with the law to implement matters related to environmental safety and health management. And provide employees with a favorable environment for career development, offering various educational training and development programs.</p> <p>The relevant machinery and equipment in the company's workplaces are subject to regular automatic inspections according to the legal cycle, and labor operating environment monitoring is implemented every six months (every April and October) to ensure the safety of employees, the environment and equipment, and provide regular health inspections that are better than the laws and regulations. In 2023, no occupational accident occurred, and the number of cases, the number of employees and the ratio to the total number of employees were all zero. The company has passed the International Occupational Health and Safety Management System (ISO45001:2018) and Taiwan Occupational Safety and Health Management System (TOSHMS, CNS45001:2018) and the Ministry of Labor Occupational Safety Administration Health Workplace Certification; the occupational safety and health system certification is valid until 2025/02/24.</p> <p>Our company conducts disaster safety drills every six months to assist colleagues in familiarizing themselves with various drill procedures and environments, aiming to minimize injuries in the event of a disaster. These drills were conducted on April 24th and July 17th in 2023. Regarding fire prevention and disaster safety equipment, our company ensures proper maintenance. Monthly and irregular inspections are carried out by the facilities personnel, and annual fire equipment maintenance and reporting are completed by the end of November, certified by fire equipment professionals. There were no fire accidents in 2023, and both the number of fire incidents and casualties were zero.</p>	No major Difference
(4) Whether the company has established an effective career development training program for employees.	V	<p>The Human Resources Department of the company and its subsidiaries has formulated a complete training plan for the career development of colleagues, so that colleagues can perform duties in the existing positions, and at the same time learn the skills necessary for promotion. And has constructed a complete education and training development system, including general education, management, specific, professional, self-inspiration training (Self Development, SD) and other vocational courses.</p>	No major Difference

		In line with the company's operating goals and employee future development plans, to train professional and management talents needed by future organizations, the company has formulated "employee education and training management procedures", so that the promotion of various businesses and employee training can be followed. The object covers all employees of the company, including contracting and dispatching manpower, regardless of gender and other factors. In line with the company's development goals every year, through the education and training needs survey, through questionnaires, interviews or consensus meetings, etc., formulate an annual education and training plan, and announce it to all employees. In addition to providing appropriate training courses according to different professional abilities, colleagues can also propose training goals and submit internal and external course requirements independently. In addition to physical courses, we have also established the "Sunplus Learning Management Platform" to break through the limitations of time and space and provide opportunities for re-learning through digital teaching materials and course videos.	
(5) Whether the company complies with relevant regulations and international standards on customer health and safety, customer privacy, marketing and labeling of products and services, and formulates relevant consumer protection policies and appeal procedures.	V	The company and its subsidiaries maintain effective communication channels with customers, ensuring compliance with local regulations and international standards in product and service marketing and labeling. The company and Generalplus Technology have established Customer Service Management Procedures and Customer Complaint Handling Procedures, aiming to systematically and efficiently address customer issues and enhance service quality. Additionally, our company, Generalplus Technology and Sunplus Innovative Technology have dedicated sections on our official websites for stakeholders, allowing customers to raise concerns or inquiries. These inquiries are handled promptly by designated personnel, ensuring proper resolution of any issues raised.	No major Difference
(6) Whether the company has formulated supplier management policies, requiring suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights, and their implementation.	V	The company and its subsidiaries have long been aware of the environmental and social responsibility of the supply chain, and the requirements for suppliers are not limited to performance and quality. Colleagues in relevant departments conduct regular audits and liaise with suppliers to ensure that suppliers' environmental protection, occupational safety and health or labor rights and other issues comply with relevant norms and maintain due standards. If the supplier does not meet the requirements, it needs to improve and meet the standard within the specified time. If improvement is not possible, we will find other suppliers who can meet the expectations of the company and each subsidiary's ethical and environmental standards. In 2022, the company made 12 assessments on environmental protection, occupational safety and health or labor rights of suppliers and outsourced factories, and both suppliers and outsourced factories were able to meet the standards.	No major Difference
5. Does the company make reference to internationally-used report preparation standards or guidelines to prepare corporate social responsibility reports and other reports that disclose the company's non-financial information? Whether the pre-report report obtained the confidence or assurance opinion of the third-party verification unit.	V	The company compiled the 2022 Sustainability Report based on the GRI Universal Standards 2021 (GRI Universal Standards 2021) released by GRI in October 2021. The report includes a GRI Standards cross-reference table for indexing the content of each chapter. It discloses non-financial operational performance to stakeholders, covering corporate governance, green processes and environmentally friendly management measures, updates on employee occupational safety equipment, employee education and training, welfare policies, and achievements in corporate social responsibility, demonstrating the vision and mission of sustainable business operation. The Sustainability Report is published on the official website and the Taiwan Stock Exchange Market Observation Post, providing shareholders and stakeholders with convenient and rapid access to transparent non-financial performance information. Our company's Sustainability Report has not yet obtained assurance or guarantee opinions from third-party verification units. Generalplus Technology has compiled its 2022 Sustainability Report in accordance with the guidelines issued by the Global Reporting Initiative (GRI) and has obtained assurance opinions from third-party verification units. Other subsidiary companies have not prepared sustainability reports, they spare no effort in environmental protection and related social responsibility activities in their senior management policies.	No major Difference Past corporate social responsibility reports and 2021 sustainability report
6. If a company has its own sustainable development code in accordance with the "Code of Practice for Sustainable Development of Listed OTC Companies", please describe the differences between its operation and the established code: The company, its subsidiaries Generalplus Technology and Sunplus Innovation Technology have formulated the "Sustainable Development Code of Practice", and there are internal rules for relevant issues such as sustainable operation, environmental protection, employee rights, social welfare and related information disclosure. Of each subsidiary has not yet formulated a corporate social responsibility policy, but relevant issues such as sustainable operation, environmental protection, employee rights, social welfare and related information disclosure are all regulated by internal systems. In order to fulfill corporate social responsibilities, the company and its subsidiaries will occasionally contribute to environmental protection, social contribution, social services, social welfare, consumer rights, human rights, safety and health and other social responsibility activities.			
7. Other important information to facilitate better understanding of the Company's corporate social responsibility practices (1) Sunplus and the subsidiaries for the professional IC design company, IC research and development and design based, department of non-polluting industries, there is no environmental pollution situation. (2) Sunplus and its subsidiaries are actively involved in relevant activities related to social welfare from time to time. (3) Based on the concept of professional services, the Company and its subsidiaries have formulated the relevant guidelines for the implementation of the relevant customers, in order to seek the fastest solution to customer questions. (4) The company and its subsidiaries manage the company's employees in accordance with the "Labor Standards Law" and relevant labor laws and regulations and other labor-related laws and regulations, and special personnel handle the employees' work matters to protect their basic rights and interests. (5) The company and its subsidiaries handle safety and health work in accordance with relevant laws and regulations on occupational safety and health to protect the health and safety of workers. (6) The company has passed ISO14001 environmental management system, ISO45001 international occupational safety and health management system and TOSHMS Taiwan occupational safety and health management system to implement environmental, workplace and worker health and safety care.			

Note 1: If the operation is checked "Yes", please explain the important policies, strategies, measures and implementations adopted; if the operation is checked "No", please explain the reasons and explain the plan for the future adoption of relevant policies, strategies and measures painting.

Note 2: The company has prepared corporate social responsibility report, the abstract statement can be used to indicate the way in which the corporate social responsibility report is reviewed and the index page is replaced.

Note 3: The principle of materiality refers to those who have a significant influence on the company's investors and other stakeholders in relation to environmental, social and corporate governance issues.

Note 4: In order to abide by the spirit of the international human rights conventions, and formulate and implement various human rights protection policies based on the content, Sunplus Technology implements the human rights protection policies based on the content of the [International Covenant on Civil and Political Rights] and the [International Covenant on Economic, Social and Cultural Rights]. , The company pays special attention to the following human rights issues, and the implementation practices are organized as follows:

Human rights concerns	Sunplus's corresponding human rights practices
Ensure equal job opportunities	1. No discrimination based on personal gender, race, socioeconomic status, age, marriage, family status, language, religion, party, nationality, appearance, facial features, pregnancy, physical and mental disabilities, etc. 2. Ensure that the employment policy is non-discriminatory, and implement the fairness of employment, salary system, employee training, evaluation and promotion opportunities.
Child labor is strictly prohibited	1. The company prohibits the employment of children and teenagers under the age of 18, so that children under 15 years of age, child labor over 15 years of age and under 16, and teenagers over 16 years of age and under 18 years of age can fully protect their right to school . 2. The company actively participates in public welfare and donations to relevant social welfare organizations, such as cooperation with family support centers and donations of public welfare funds, so that education rights and resource opportunities are more popular and equal
Freedom of assembly and association of employees	Provide diversified club activities and encourage employees to actively participate
Complaint channels and mechanisms	Provide effective complaint channels and handling mechanisms to avoid discrimination and harassment in the work environment
Establish a healthy and safe workplace environment	To provide employees with a healthy and safe workplace environment, the company continues to improve the working environment to reduce the risk of occupational disasters and protect the health of employees.
Provide employees with physical and mental health Work environment balanced with work	1. Provide diversified activities (such as sports courses, art lectures, and employee travel, etc.) to enrich the work-life balance of colleagues. 2. Establish good health care measures (medical room, visually impaired massage, health check, etc.) to protect the health of employees.
Meet the basic salary	Provide wages that are superior to the law.

Climate-related information of listed companies

Implementation status of climate-related information

Item	Implementation status
1. Describe the supervision and governance by the board of directors and management regarding climate-related risks and opportunities.	<ul style="list-style-type: none"> The company's cross-departmental sustainability team, under the purview of the 'Environmental Functional Committee,' is responsible for coordinating/assessing climate change risks and opportunities across the entire company (including goals and action plans), and disclosing them in the annual sustainability report. Starting from 2024, the company will regularly report the identification and management of climate change-related risks and opportunities to the board of directors, who will oversee the management process. Generalplus Technology management identifies climate-related risks and opportunities, develops response strategies, and regularly reports to the board of directors for monitoring. Sunplus Innovative Technology has established a Sustainability Promotion Task Force, with the General Manager as the convener. The Environmental Subcommittee within this task force handles climate-related issues and will provide regular reports to the board of directors on climate issues.
2. Describe how the identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, long-term).	<ul style="list-style-type: none"> Define short-term (1-3 years), medium-term (3-5 years), and long-term (5-10 years) climate-related risks and opportunities according to the internal target management schedule, and assess the potential impact of climate risk factors on the company's strategic, operational, and financial planning. The company has implemented the ISO 14064-1:2018 Greenhouse Gas Inventory standard for voluntary self-assessment and will continue to promote carbon reduction initiatives in the future, aiming to achieve carbon neutrality by 2050. The main financial impact of climate risks and opportunities for the company, Generalplus Technology, and Sunplus Innovative Technology is the increase in financial costs due to increased electricity consumption for air conditioning. The short-term, medium-term, and long-term financial impacts are all minimal.
3. Describe the financial impact of extreme weather events and transition actions.	<ul style="list-style-type: none"> Taiwan is expected to implement carbon taxation in 2024, targeting major emitters with annual carbon emissions of 25,000 tons. However, there is a possibility of a continuous upward trend in the tax rate, possibly by 10% annually. Sunplus will continue to monitor policy developments. According to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) (AR6 Statistical Downscaling Version), extreme heat may lead to temporary power shortages. However, our company has comprehensive uninterrupted power supply systems, emergency generators, and data backup measures in place to mitigate operational risks. The company, Generalplus Technology, and Sunplus Innovative Technology are primarily engaged in IC design and do not engage in IC manufacturing activities. Therefore, the risk of production line shutdown due to prolonged drought is not considered a significant risk factor.
4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	The cross-departmental sustainability team, "Environmental Functional Committee," conducts internal communication or meetings based on the TCFD framework. It integrates with the company's existing ISO 14001 risk assessment operations to identify important issues, incorporating climate change issues into the risk management framework, and formulating control strategies and action plans accordingly. Generalplus Technology regularly analyzes and evaluates various climate risk factors, formulates relevant response measures and

	improvement plans, and collects the latest relevant risk information for review and management to avoid impacts on business operations. Sunplus Innovative Technology identifies and evaluates climate change risks and response measures according to the TCFD framework to identify potential crises and opportunities. The ESG environmental working group considers issues such as policy, regulations, market, technology, reputation, and physical risks, taking into account internal and external environmental changes. It identifies the transformational risks, physical risks, and opportunities posed by climate change to the company and formulates relevant responses.
5. When using scenario analysis to assess resilience to climate change risks, it is essential to elucidate the context, parameters, assumptions, analysis factors, and primary financial impacts.	<ul style="list-style-type: none"> • Simulate the scenario of limiting global warming to 1.5°C, as developed by the Nationally Determined Contributions (NDCs) and the International Energy Agency (IEA) 2-Degree Scenario (2DS), using 2011 as the baseline year, to estimate Sunplus Technology's carbon reduction ratio. • Implement energy-saving management for sectors with significant greenhouse gas emissions to achieve the greenhouse gas reduction targets outlined in the NDCs by 2050. • Achieving the energy-saving targets could result in reduced operating costs for equipment. • Generalplus Technology and Sunplus Innovative Technology currently have no plans in this regard.
6. If there is a transformation plan to manage climate-related risks, describe the contents of the plan, as well as the indicators and goals used to identify and manage physical risks and transformation risks.	<ul style="list-style-type: none"> • Sunplus Technology uses indicators such as electricity consumption and greenhouse gas emissions to assess climate-related risks. • Since 2012, the goal has been to reduce total electricity consumption by 1% annually. • The target is to reduce indirect greenhouse gas emissions by 2% annually. • Generalplus Technology and Sunplus Innovative Technology currently have no plans in this regard.
7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	The company, along Generalplus Technology and Sunplus Innovative Technology, currently do not have plans for internal carbon pricing.
8. If climate-related goals are set, it should be explained which activities are covered, the scope of greenhouse gas emissions, the planning schedule, and annual progress towards achievement. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve these goals, the source and quantity of offset carbon credits or the number of RECs should be explained.	<ul style="list-style-type: none"> • Sunplus Technology assesses climate-related risks using indicators such as electricity consumption and greenhouse gas emissions. • Since 2012, the goal has been to reduce total electricity consumption by 1% annually, and this goal has been achieved from 2011 (baseline year) to 2023. • The target is to reduce indirect greenhouse gas emissions by 2% annually. The target for indirect greenhouse gas emissions in 2023 was set at 72.685 metric tons of CO2 equivalent, with an actual reduction of 174.76 metric tons of CO2 equivalent, thus achieving the goal. • Through energy-saving measures, carbon offsetting is currently not used, and it is planned to apply for Renewable Energy Certificates (RECs) in 2024. • Generalplus Technology and Sunplus Innovative Technology currently have no plans in this regard.
9. Greenhouse gas inventory and verification status, along with reduction targets, strategies, and specific action plans (to be filled in sections 1-1 and 1-2).	<ul style="list-style-type: none"> • Sunplus Technology has been conducting voluntary greenhouse gas inventories since 2012. However, verification by an accredited institution has not yet been carried out on the inventory results. As a company with a capital of over 5 billion NT dollars but less than 10 billion NT dollars, we will complete the verification of greenhouse gas inventories for the parent company by the end of 2027 according to the regulations of the competent authority. • The greenhouse gas inventory and verification status for the past two years are as described in section 1-1. • Reduction targets, strategies, and specific action plans are detailed in section 1-2.

1-1 Recent two-year greenhouse gas inventory and verification status

1-1-1 Greenhouse Gas Inventory Information

Provide the emissions (in metric tons of CO2e), intensity (in metric tons of CO2e per million dollars), and scope of data coverage for greenhouse gases over the past two years.

Company Basic Information <input type="checkbox"/> Company with Capital of Over 10 Billion NT Dollars, Steel Industry, Cement Industry <input checked="" type="checkbox"/> Company with Capital of Over 5 Billion NT Dollars but Less Than 10 Billion NT Dollars <input type="checkbox"/> Company with Capital of Less Than 5 Billion NT Dollars	According to the Sustainable Development Roadmap for Listed Companies, disclosure should include at least <input checked="" type="checkbox"/> Parent Company Individual Inventory <input type="checkbox"/> Consolidated Financial Report Subsidiary Inventory <input type="checkbox"/> Parent Company Individual Assurance <input type="checkbox"/> Assurance for Consolidated Financial Report Subsidiaries
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Scope One	Total Emissions (Metric tons CO2e)		Intensity (Metric tons CO2e per million dollars) (Note 2)		Assurance Institution	Explanation of Assurance Situation
	2022	2023	2022	2023		
Annual	2022	2023	2022	2023	None	No assurance required yet
Parent Company	2.4139	2.7660	0.00036	0.00050		
Subsidiary	No disclosure required yet	No disclosure required yet	-	-		
...(Note1)						
Aggregate	2.4139	2.7660	0.00036	0.00050		
Scope Two	Total Emissions (Metric tons CO2e)	Total Emissions (Metric tons CO2e)	Intensity (Metric tons CO2e per million dollars) (Note 2)	Intensity (Metric tons CO2e per million dollars) (Note 2)	Assurance Institution	Explanation of Assurance Situation
	2022	2023	2022	2023		
Parent Company	3,631.8150	3,456.7033	0.54158	0.62447	None	No assurance required yet
Subsidiary	No disclosure required yet	No disclosure required yet	-	-		
...(Note1)						
Aggregate	3,631.8150	3,459.469	0.54158	0.62447		
Scope One	2.4139	2.7660	0.00036	0.00050		
Scope Two	3,631.8150	3,456.7033	0.54158	0.62447		
Aggregate	3,634.229	3,459.469	0.54194	0.62497		

Note 1: Direct emissions (Scope 1, emissions directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, emissions from purchased electricity, heat, or steam), and other indirect emissions (Scope 3, emissions from activities not owned or controlled by the company, such as upstream or downstream emissions).

Note 2: Data coverage for direct emissions and energy indirect emissions should be conducted according to the schedule specified in Article 10 of this standard. Disclosure of other indirect emissions information is voluntary.

Note 3: Greenhouse Gas Inventory Standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: Intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue. However, data calculated based on revenue (in million NT dollars) should be disclosed at minimum.

1-1-2 Greenhouse Gas Assurance Information

The assurance status explanation for the most recent two years as of the date of the annual report publication, including the scope of assurance, assurance provider, assurance standards, and assurance opinions. According to the Taiwan Stock Exchange's "Sustainable Development Roadmap for Listed Companies," the Company is required to complete the inventory by 2025 and assurance by 2027; subsidiary companies in the consolidated financial statements are required to complete the inventory by 2026 and assurance by 2028. Currently, there is no need for assurance. However, in accordance with the Q&A requirements of the "Sustainable Development Roadmap for Listed Companies", the consolidated financial statements of the listed subsidiaries (Generalplus and Sunplus Innovation Technology) were completed according to the schedule of the parent company. Since 2012, the Company has conducted voluntary inventories and disclosed the results on the Company's website, annual reports, and ESG reports, undergoing verification and assessment.

Note 1: In accordance with the regulations stipulated in Article 10, Paragraph 2 of this guideline, if the Company fails to obtain a complete greenhouse gas assurance opinion by the publication date of the annual report, it should be noted that "Complete assurance information will be disclosed in the sustainability report." If the Company has not compiled a sustainability report, it should be noted that "Complete assurance information will be disclosed on the Market Observation Post System," and complete assurance information should be disclosed in the following year's annual report.

Note 2: Assurance providers should comply with the relevant regulations on assurance providers for sustainability reports formulated by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

Note 3: The disclosure content can refer to the best practice examples on the Corporate Governance Center website of the Taiwan Stock Exchange.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

As The company operates in the IC design industry, over 99.9% of greenhouse gas emissions are categorized as indirect emissions. Therefore, our target is to reduce indirect greenhouse gas emissions by 2% annually. Since emissions mainly stem from purchased electricity for air conditioning and office lighting needs, we have implemented facility monitoring systems to enhance the efficiency of air conditioning equipment operation. Additionally, we have promoted energy-saving concepts and practices among employees to reduce unnecessary waste. In 2023, greenhouse gas emissions decreased by 4.81% compared to 2022, and we have consistently met our targets from the baseline year (2011) to 2023.

Regarding Lingtong, which falls under Phase 3 (capital below NT\$50 billion), greenhouse gas reduction targets, strategies, and specific action plans will be disclosed annually starting from 2027. According to "Sustainable Development Roadmap for Listed Companies" will be exposed in advance in 2026.

3.4.6 The situation and reasons for the performance of integrity management and the differences with the code of integrity management of listed OTC companies

The situation and reasons for the performance of integrity management and the differences with the code of integrity management of listed OTC companies

Item	Implementation Status (Note 1)			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and reasons
	Y	N	Summary	
1. Build Ethical corporate management principles				
(1) Has the company formulated the integrity management policy approved by the board of directors, and stated in the regulations and external documents the policies and practices of integrity management, and the board and senior management's commitment to actively implement the management policy.	V		The Company, Generalplus Technology and Sunplus Innovation Technology have formulated the "Integrity Management Operating Procedures and Behavior Guidelines" approved by the board of directors as a clear policy and practice for operating integrity, as well as the active implementation of operating policies by the board of directors and management. Commitment, and disclosed on the company website. The remaining subsidiaries uphold the business philosophy of "Integrity", "Creativity", "Quality", and "Service", formulate various internal management systems and measures within the company, and implement and implement irregular reviews.	No major Difference
(2) Whether the company has established an assessment mechanism for the risk of dishonesty, regularly analyzes and evaluates business activities with a high risk of dishonesty in the business scope, and formulates a plan to prevent dishonesty, and at least covers the "good faith management of listed companies "Code" Article 7, Paragraph 2, Prevention Measures.	V		The Company, Generalplus Technology and Sunplus Innovative Technology have established the "Code of Ethical Conduct for Employees", "Code of Ethical Conduct for Directors and Managers" and "Ethical Business Procedures and Behavior Guidelines", which expressly prohibit the provision or acceptance of non-compliance. Legitimate interests. The company and Sunplus Technology have a "reporting system", and Lingtong Technology has a "handling method for reporting cases of illegal and unethical or dishonest conduct", encouraging the reporting of any illegal or violation of the code of ethical conduct or conduct of integrity management . In addition, the company still requires colleagues in the management, production center, business and information units with high job sensitivity to sign the "Integrity Commitment"; when signing the annual distributor contract with the customer, they also sign the "Integrity Behavior Declaration"; According to the annual transaction amount, the relevant suppliers sign the "Declaration of Integrity Behavior". The remaining subsidiaries have clearly stipulated the reporting and punishment system for employees' integrity behaviors in the “Work Rules”, and effective implementation through internal control systems to reduce the risk of dishonest behaviors and to achieve preventive effects.	No major Difference
(3) Does the company clearly specify the operating procedures, behavior guidelines, disciplinary punishment and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan.	V		The Company, Generalplus Technology and Sunplus Innovative Technology have respectively set up a "whistleblowing system", "employee ethical code of conduct", "director and manager's code of ethical behavior", "handling methods for reporting illegal and unethical or dishonest conduct" and "Integrity Management Operation Procedures and Conduct Guidelines", clearly stipulate the relevant operation procedures and behavior guidelines for preventing dishonest behaviors. For colleagues to inquire at any time, we will also provide relevant promotion for new employees through education courses. For any suspected violations of business ethics and confirmed cases, the violators will be subject to severe disciplinary measures including termination of employment or business relationships, and appropriate legal action will be taken in due course. Subsidiary's "Work Rules" set out to prohibit dishonesty, punishment and appeal system for violations of regulations.	No major Difference
2. Implement integrity management				
(1) Whether the company evaluates the integrity records of the counterparties, and specifies the terms of integrity behavior in the contract signed with the counterparties.	V		The "Integrity Operation Procedures and Behavior Guide" of the company, Generalplus Technology, and the "Integrity Operation Guidelines" of Sunplus Innovative Technology clearly stipulate that when signing a contract, it should fully understand the other party's integrity management status and incorporate the company's integrity management policy into the contract terms. In addition, when the company signed an annual distributor contract with customers since 2017, it also signed a "Certificate of Integrity"; the relevant suppliers, who defined the annual transaction amount, also signed a "Certificate of Integrity". The remaining subsidiaries carefully evaluate the legality of the counterparties through customer credit evaluation and supplier management operations to avoid dishonest business activities.	No major Difference
(2) Does the company set up a special unit under the board of directors to promote corporate integrity management, and regularly (at least once a year) report to the board of directors on its integrity management policies and plans to prevent dishonest behaviors and supervision and implementation.	V		In order to improve the management of integrity management, the company and Gnerealplus Technology have designated the Chairman's Office as the dedicated unit for promoting corporate integrity management. The board of directors of Sunplus Innovation Technology has authorized the Finance and Accounting Department to be responsible for promoting integrity management policies, and is responsible for formulating and promoting integrity management policies and preventive plans. The specialized unit reports the implementation situation to the board of directors on a regular basis in December every year. The company's latest report to the board of directors was on December 27, 2023. The remaining subsidiaries actively promote the corporate integrity management concept from top to bottom. In the future, they will set up promotion units based on the actual situation of the company and report to the board of directors regularly. The Company's 2023 Integrity Management Policy and Dishonest Behavior Prevention Plan and Supervision Implementation: 1. Promote the integrity policy The company has set up a special area for the promotion of integrity policy to promote the integrity management policy to employees, and implement the core values and business philosophy based on integrity. New recruit training promotes the company's integrity policy and conducts quizzes to ensure that newcomers understand the company's	No major Difference

		<p>integrity policy. The new employees hired in 2023 have completed this assessment.</p> <p>2. "Integrity Behavior Statement" stipulates the terms of integrity management</p> <p>(1) The company "Declaration of Integrity", which includes the prevention of conflicts of interest, the avoidance of profit or improper transfer of benefits, the fulfillment of confidentiality obligations, the prohibition of bribery and bribery, infringement of company confidentiality, goodwill, business conduct, etc.</p> <p>(2) The company requests suppliers and customers with higher risks of dishonest behavior within its business scope to sign the "Integrity Behavior Statement." In 2023, new signings of the "Integrity Behavior Statement" were completed.</p> <p>3. Signing of the Integrity Commitment Letter</p> <p>The company requests colleagues from the management, production center, sales, and information units with higher sensitivity in their positions to sign the "Integrity Commitment Letter." Its contents include conflict of interest prevention, avoidance of profiting or improper benefits, fulfillment of confidentiality responsibilities, and prevention of insider trading. It encourages reporting of any illegal or unethical behavior. There were no new signings of the "Integrity Commitment Letter" in the past two years.</p> <p>4. Establishing a convenient reporting channel</p> <p>The company has established a "whistleblowing system," which outlines the procedures for reporting and ensures confidentiality. It encourages both internal and external parties to report any illegal or unethical behavior that violates the code of conduct or integrity management guidelines. As of the end of 2023, no whistleblower reports have been received.</p>	
(3) Does the company formulate a policy to prevent conflicts of interest, provide appropriate reporting channels, and implement them.	V	The company and Generalplus Technology have established the "Integrity Operation Procedures and Behavior Guide", while Sunplus Innovative Technology has established both the "Integrity Operation Procedures and Behavior Guide" and the "Code of Integrity Management". The communication channels between the employees of Sunplus and its subsidiaries and the management are smooth. If any problems are found, they can be reported to the management. In addition, the departments in charge of integrity management related affairs handle related affairs in accordance with their duties and laws, prevent conflicts of interest and provide appropriate statements about the operation of channels.	No major Difference
(4) Whether the company has established an effective accounting system and internal control system for the implementation of integrity management, and the internal audit unit formulates the relevant audit plan based on the assessment results of the risk of dishonesty, and checks the compliance with the plan to prevent dishonesty, Or entrust an accountant to perform the audit.	V	The company, Generalplus Technology and Sunplus Innovation Technology have established an effective accounting system and internal control system to implement honest management. Internal auditors regularly check the implementation of the internal control system, and through self-inspection of the implementation of the system to ensure internal control The effectiveness of the system is used as the basis for issuing the internal control system statement and submitted to the board of directors for approval. The parent company has prepared and implemented an annual audit plan for its subsidiaries based on risk analysis.	No major Difference
(5) Does the company regularly organize internal and external education and training on integrity management.	V	The company and Generalplus Technology have established the "Integrity Operation Procedures and Behavior Guide", while Sunplus Innovative Technology has established both the "Integrity Operation Procedures and Behavior Guide" and the "Code of Integrity Management". Which builds integrity management into the corporate culture, and promotes it in various meetings from time to time. It also publicizes the integrity management operating procedures and behavior guidelines to the company's employees in internal announcements, and implements the company's core values and business philosophy based on integrity. In 2023, the company conducted integrity policy orientation courses and tests for new employees, totaling approximately 13 hours for 59 participants. Generalplus Technology has set up a special area on the internal website to publicize the integrity management procedures and behavior guidelines to the company's employees, and implement the company's core values and business philosophy based on integrity. Sunplus Innovation Technology has set up the integrity management policy on the homepage of the company website to convey the core values and business philosophy based on integrity to employees, and specially promote it for new employees. The remaining subsidiaries implement opportunity education in their daily business, and will hold education and training according to the actual situation of the company in the future.	No major Difference
3. Operation of the company's whistleblowing system			
(1) Whether the company has set a specific reporting and reward system, and established a convenient reporting channel, and assigned appropriate personnel for the acceptance of the reported object.	V	The company and Sunplus Innovation Technology have a "whistleblowing system", Generalplus Technology has "handling methods for reporting cases of illegal and unethical or dishonesty", and the remaining subsidiaries have "employee complaint methods". The company and its subsidiaries Appropriate persons in charge will be assigned to deal with them, as a convenient reporting channel for employees to report.	No major Difference
(2) Has the company established the standard operating procedures for the investigation of the complaint, follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism?	V	The company and its subsidiaries all have relevant methods for reporting and appealing, which specify the procedures for reporting, the follow-up measures to be taken after the investigation is completed, and the relevant confidentiality principles	No major Difference
(3) Whether the company has taken measures to protect the whistleblowers from improper disposal due to the whistleblowing.	V	The procedures for the protection of whistleblowers are clearly stipulated in the relevant reporting and appeal measures of the company and its subsidiaries.	No major Difference
4. Strengthen information disclosure			
Whether the company disclosed the content of its integrity management code and promoted its effectiveness on its website and public information observatory?	V	Sunplus, Generalplus Technology and Sunplus Innovation Technology have placed relevant regulations on integrity management on the company's internal website for colleagues to inquire at any time. The company's external websites and public information observatories place annual reports and corporate social responsibility reports, which also fully disclose relevant policy requirements and information on honest operation.	No major Difference

5. If a company has its own integrity management code in accordance with the "Code of Integrity Management of Listed OTC Companies", please describe the differences between its operation and the established code: The company and Generalplus Technology have established the "Integrity Operation Procedures and Behavior Guide", while Sunplus Innovative Technology has established both the "Integrity Operation Procedures and Behavior Guide" and the "Code of Integrity Management", and operate in accordance with the operating procedures and behavior guidelines. The company, its subsidiaries, manufacturers and organizations all adhere to the principle of good faith management.

6. Other important information that helps to understand the company's integrity management and operation situation: (such as the company reviewing and revising its integrity management code and other situations)
Sunplus and its subsidiaries take honesty as the foundation, and strive for the integrity of all employees and are responsible to investors, customers and the society. The company has a mailbox for complaints and reports. If employees find any violation of the principle of good faith or harm to the reputation of the company, they can complain or report through the Internet. In addition, the company and its subsidiaries and the relevant manufacturers and partners are mostly long-term cooperation, and clearly set a contract, set up relevant full-time personnel to participate, and maintain a long-term stable cooperative relationship.

Note 1: Whether the operation is checked "Yes" or "No", it should be stated in the summary description field.

3.4.7 Formulate Corporate Governance Rules and Regulations:

The Company has a Code of Corporate Governance Practices, to protect the interests of shareholders, strengthen the functions of the board of directors, respect for the interests of stakeholders, to enhance the transparency of information, etc. are relevant norms, also for the Taiwan Stock Exchange Co., Ltd. for corporate governance review one by one to review the actual implementation of the assessment indicators, hoping to help companies gradually build a good corporate governance system, to enhance the effectiveness of corporate governance. The Company's corporate governance operation, please refer to this Annual Report, Corporate Governance Report III, Section IV: Corporate Governance Operations (pages 20-44), for the Code of Corporate Governance Practices, please contact our website.

3.4.8 Other important information that enhances understanding of the company's governance operations:

None

3.4.9 Internal Control System Execution Status and Information

a) Statement of Internal Control System

**Sunplus Technology Co., Ltd.
Statement of Internal Control System**

Date: **March 13th, 2024**

Based on the findings of a self-assessment, Sunplus states the following with regard to our internal control system during **January 1st – December 31st, 2023**:

1. The company knows that it is the responsibility of the board of directors and managers of the company to establish, implement and maintain an internal control system, and the company has already established such a system. Its purpose is to achieve the goals of operation effectiveness and efficiency (including profit, performance, and asset safety protection, etc.), report reliability, timeliness, transparency, and compliance with relevant norms and compliance with relevant laws and regulations, and provide reasonable ensure.
2. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system Subject to change. However, the company's internal control system has a self-monitoring mechanism. Once a defect is identified, the company will take corrective action.
3. The company judges whether the design and implementation of the internal control system are effective based on the items for judging the effectiveness of the internal control system stipulated in the "Guidelines for the Establishment of Internal Control Systems for Publicly Issued Companies" (hereinafter referred to as "the Guidelines"). The internal control system judgment items adopted in the "Processing Criteria" are based on the process of management control, and the internal control system is divided into five components: (1)Control environment, (2)Risk assessment, (3)Control operations, (4)Information and communication, and (5)Supervise operations. Each constituent element in turn includes several items. For the aforementioned items, please refer to the provisions of the "Handling Guidelines".
4. The company has adopted the above-mentioned internal control system to judge projects and evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the evaluation results in the preceding paragraph, the company believes that the company's internal control system (including the supervision and management of subsidiaries) on December 31, 2023 included the understanding of the effectiveness of operations and the degree of achievement of efficiency goals, and the reporting system. Reliable, timely, transparent and in compliance with relevant norms and relevant laws and regulations, the design and implementation of relevant internal control systems are effective, which can reasonably ensure the achievement of the above goals.
6. This statement will become the main content of the company's annual report and prospectus, and will be made public. If there are falsehoods, concealment, or other illegal matters in the above-mentioned disclosed content, it will involve legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This statement was approved by the company's board of directors on March 13, 2024. Among the seven directors present, there was no objection, and they all agreed with the content of this statement, and hereby declare.

Sunplus Technology Co., Ltd.



Chou-Chye Huang
Chairman & CEO

- b) For those who have commissioned an accountant to conduct a special review of the internal control system, the accountant's review report should be disclosed:
Not applicable

3.4.10 For the most recent year and up to the publication date of the annual report, any legal penalties imposed on the company and its internal personnel, or any penalties imposed by the company on its internal personnel for violations of internal control system regulations: None

3.4.11 Important resolutions of the shareholders meeting and the board of directors for the year of 2023 and up to the printing date of the annual report

2023 The implementation of the resolution of the shareholders' meeting			
Date	Decision Maker	Resolution matters and implementation	
2023.06.13	Shareholders' General Meeting	<p>1. Accept the company's 2022 annual business report and financial statement. Implementation status: The relevant forms have been submitted to the competent authority for reference and announcement in accordance with the Company Law and other relevant laws and regulations.</p> <p>2. Recognize the Company's 2022 earnings distribution proposal. Implementation status: July 17, 2023 is set as the ex-dividend base date, and August 07, 2023 is the distribution date (cash dividend of NTD 0.523 per share).</p> <p>3. The company has approved the distribution of cash dividends from the capital reserve. Implementation situation: July 17, 2023 was set as the ex-dividend base date, and the distribution was completed on August 7, 2023 (cash dividend of NT\$0.077 per share)</p> <p>4. Approved the revision of the company's "Methods for Loaning Funds to Others". Implementation status: Effective after the resolution of the shareholders' meeting, and has been announced on the company's website.</p> <p>5. The case of lifting the company's directors' competition restrictions. Implementation status: Effective after the resolution of the shareholders' meeting.</p>	
2023 and as of the date of publication of the annual report of the board of directors important matters			
Date	Decision Maker	Case	Result
2023.02.15	Board Meeting	<p>1. In 2023, held the general meeting of shareholders and accepted the discussion proposal of shareholders' rights to propose proposals.</p> <p>2. Discussion on the revision of the company's greenhouse gas inventory and verification schedule, and the planning of the greenhouse gas inventory and verification schedule for subsidiaries included in the consolidated financial statements.</p>	The proposal was passed after the chairman consulted all the directors present without objection.
2023.03.15	Board Meeting	<p>1. The company's 2022 employee remuneration and director's remuneration distribution situation discussion proposal.</p> <p>2. The 2022 financial statement discussion proposal.</p> <p>3. Discussion proposal on consolidated financial statements for 2022.</p> <p>4. Discussion on the 2022 annual business report.</p> <p>5. Proposal on the distribution of surplus in 2022.</p> <p>6. Discussion on the distribution of cash</p>	The proposal was passed after the chairman consulted all the directors present without objection.

		<p>dividends from the capital reserve.</p> <p>7. Discussion proposal on revision of the company's "Operating Procedures for Loaning Funds and Others".</p> <p>8. Discussion on lifting the non-compete restrictions for the company's managers.</p> <p>9. Discussion on lifting the non-compete restrictions for the company's directors.</p>	<p>As I have a conflict of interest with Director Jan Wen-Hsiung in this case, I have lawfully abstained from participating in the discussion and voting. Apart from the directors who have abstained from discussion and voting in accordance with the law, this case has been approved as per the chairperson's consultation with the remaining attending directors, who raised no objections.</p>
2023.05.11	Board Meeting	1. Discussion on the consolidated financial statements for the first quarter of 2023.	The proposal was passed after the chairman consulted all the directors present without objection.
2023.08.11	Board Meeting	<p>1. Discussion on the consolidated financial statements for the second quarter of 2023</p> <p>2. Discussion on the company's organizational restructuring and personnel changes.</p> <p>3. Discussion on the simplified merger between our company and subsidiary Sunext Technology Co., Ltd.</p>	<p>The proposal was passed after the chairman consulted all the directors present without objection.</p> <p>Due to conflicts of interest with Chairman Huang Zhou-Jie and Director Zheng Shu-Zhen, I have lawfully abstained from participating in the discussion and voting. As instructed by the chairperson, Independent Director Huang Ze-Ren acted as the acting chairperson. The acting chairperson consulted with the remaining attending directors, who raised no objections, and the case was approved accordingly.</p>
2023.10.11	Board Meeting	1. Discussion on product line planning for subsidiary Shanghai Sunplus Technology Co., Ltd.	Due to a conflict of interest with Chairman Huang Zhou-Jie, I have lawfully abstained from participating in the discussion and voting. As instructed by the chairperson, Independent Director Huang Ze-Ren acted as the acting chairperson. The acting chairperson consulted with the remaining attending directors, who raised no objections, and the case was approved accordingly.
2023.11.13	Board Meeting	1. Discussion on the consolidated financial statements for the third quarter of 2023.	The proposal was passed after the chairman consulted all the directors present without objection.
2023.12.27	Board Meeting	<p>1. Discussion on the revision of the company's management regulations.</p> <p>2. Discussion on the appointment of auditors for the fiscal year 2024 and independence assessment.</p>	The proposal was passed after the chairman consulted all the directors present without objection.
2024.03.13	Board Meeting	<p>1. Discussion on the financial statements for the fiscal year 2023.</p> <p>2. Discussion on the operating report for the fiscal year 2023.</p>	The proposal was passed after the chairman consulted all the directors present without objection.

		<p>3. Discussion on the allocation of losses for the fiscal year 2023.</p> <p>4. Election of the 13th Board of Directors (including independent directors).</p> <p>5. Discussion on lifting the non-compete restrictions for newly appointed directors (including independent directors) and their representatives.</p> <p>6. Discussion on the convening of the 2024 Annual General Meeting and the acceptance of shareholder proposals.</p>	
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3.4.12 For the fiscal year 2023 and as of the date of report publication the directors have different opinions and record or written statements by the board of directors through important resolutions, its main content:

None

3.4.13 As of the fiscal year ending 2023 and up to the printing date of the annual report, the resignation or termination status of the company's chairman, CEO, accounting manager, finance manager, internal audit manager, corporate governance manager, and R&D manager, etc.

April 14, 2024

Title	Name	Date of Appointment	Date of Resignation	Reason for Resignation or Termination
Research and Development Manager	Ming-Chang Su	107/03/15	112/08/11	Job reassignment

3.5 Information on visa accounting expenses

Unit: NT\$K

Audit Firm	Name of Auditor	Accountant audit period	Audit public expenses	Non-audit public fees	Total	Remark
Deloitte & Touche	Tung-Hui Yeh	2023.1.1 ~ 2023.12.31	5,000	1,650	6,650	
	Ya-Yun Chang	2023.1.1 ~ 2023.12.31				

Non-audit public expenses are expenses related to tax visas, tax application cases, transfer pricing reports, and non-supervisor salary declaration verification.

Note: If the company has changed accountants or accounting firms this year, please list the audit period respectively, explain the reasons for the change in the remarks column, and disclose the audit and non-audit public fees paid in sequence. Non-audit public fees and should be annotated to explain its service content.

3.5.1 If the accounting firm is changed and the audit fee paid in the year of change is lower than the audit fee of the year before the change, the amount of the audit fee before and after the change and the reasons shall be disclosed: no such case.

3.5.2 If the public audit fee is reduced by more than 10% compared with the previous year, the amount, proportion and reason for the reduction of the public audit fee shall be disclosed: None.

3.6 Replacement of Auditors: None

3.7 Chairman, Presidents, and Managers in Charge of Finance and Accounting Who Held a Position in Sunplus' Independent Audit Firm

**or Its Affiliates during the Recent Year:
Not applicable.**

3.8 Net Change in Shareholding and Net Changes in Shares Pledged by Directors, Management, and Shareholders with 10% Shareholding or More

3.8.1 Changes in equity of directors, managers and major shareholders

Unit: Shares

Title	Name	2023		Ended of April 13th, 2024	
		Shareholding Increased (decreased)	Shares Pledged (Released)	Shareholding Increased (decreased)	Shares Pledged (Released)
Chairman& CEO	Chou-Chye Huang	0	0	0	0
Director	Global View Co., Ltd.	0	0	0	0
Director	Wen-Hsiung Jan	0	0	0	0
Independent Director	Che-Ho Wei	0	0	0	0
Independent Director	Tse-Jen Huang	0	0	0	0
Independent Director	Cong-Ling Guo	0	0	0	0
Independent Director	Rui-Qi Chen	0	0	0	0
VP	Wayne Shen (Note 1)	0	0	0	0
VP	Jason Lin (Note 2)	0	0	0	0
VP	Adm Wang (Note 2)	0	0	0	0
AVP	Alex Chang	0	0	0	0
AVP	Michael Su (Note 3)	0	0	0	0
AVP	John Wu (Note 4)				
Director of Finance & Accounting Division	Shu-Chen Cheng	0	0	0	0
Head of Corporate Governance	Phoebe Chen	0	0	0	0

Note 1: Retired on April 18, 2023.

Note 2: Promoted from Assistant Manager to Vice General Manager on August 11, 2023.

Note 3: Terminated on August 11, 2023.

Note 4: Appointed on August 11, 2023.

3.8.2 Stock Trade

Name (Note 1)	Transfer Reason	Transaction Date	Name of Counter Party	Nature of Relationship	Amount of Shares	Transaction Price
-	-	-	-	-	-	-

3.8.3 Shares Pledge with Related Parties

Ended of April 14th, 2024 ; Unit: Shares

Name (Note 1)	Reason of Pledge (Note 2)	Date of Change	Name of Counter Party	Nature of Relationship	Amount of Shares	Percentage of Shareholding	Percentage of Shares Pledge	Transaction Price
-	-	-	-	-	-	-	-	-

Note 1: Including Directors, managers and shareholders holding more than 10%

Note 2: Reasons for shares pledged or released

3.9 Top 10 Shareholders & Related Parties

Name	Current Shareholding		Shareholding under Spouse & Minor		Shareholding under Others' Name		Relationship with related-parties	
	Amount of Shares	Holding %	Amount of Shares	Holding %	Amount of Shares	Holding %	Name	Relationship
Chou-Chye Huang	92,737,817	15.67%	1,370,993	0.23%	-	-	Global View	Legal Representative Director
De-Zhong Liu	12,497,523	2.11%	2,006,943	0.34%	-	-	-	-
Global View Co., Ltd.	10,038,049	1.70%	-	-	-	-	Chou-Chye Huang	Legal Representative Director of Global View Co., Ltd.
Shu Weiren (Representative of Legal Entity)	0	0.00%	0	0.00%	-	-	-	-
Polunin Emerging Markets Small Cap Fund, LLC	7,148,825	1.21%	-	-	-	-	-	-
Wen-Qin Lee	6,800,000	1.15%	1,120,000	0.19%	-	-	-	-
JPMorgan Chase Bank Taipei Branch is entrusted with the custody of the Van Gard Emerging Markets Stock Index Fund Investment Account of the Manager of the Van Gard Group	5,884,000	0.99%	-	-	-	-	-	-
Chase Managed Advanced Starlight Advanced Aggregate International Stock Index	5,845,752	0.99%	-	-	-	-	-	-
Standard Chartered Custodian iShares Emerging Markets ETF	5,247,000	0.89%	-	-	-	-	-	-
Chih-Hao Gong	4,699,926	0.79%	537,361	0.09%	-	-	-	-
The Business Department of Standard Chartered International Commercial Bank is entrusted to keep the New York City Group Trust Investment Account	4,590,531	0.78%	-	-	-	-	-	-

3.10 Long-term Investment Ownership

December 31st, 2023/Unit: thousand shares, %

Long-term Investments (Note)	Sunplus Investment		Shareholding of Director, Supervisor, Management or Subsidiary		Synthetic Shareholding	
	Amount of Shares	Holding %	Amount of Shares	Holding%	Amount of Shares	Holding %
Generalplus Technology	37,324	34	14,895	14	52,219	48
Sunplus Innovation Technology	29,266	50	3,999	7	33,265	57
iCatch Technology Inc.	12,735	13	5,159	5	17,894	18
Sunplus mMedia Inc.	22,441	90	2,559	10	25,000	100
Jumplux Technology	13,200	55	10,100	42	23,300	97
Global View Co Ltd	8,229	13	195	-	8,424	13

Note: Except companies listed above, all other Equity Method Long-term Investments are held by the parent company. No comprehensive shareholding situation.

IV. Fundraising Status

4.1 Capitalization

April 14th, 2024

Month/Year	Price (NT\$)	Authorized capital		Issued capital		Remark		
		Shares (thousand shares)	Amount (NT\$K)	Shares (thousand shares)	Amount (NT\$K)	Funding (NT\$K)	Funding Except Cash	Note
08/1990	10	2,300	23,000	620	6,200	Cash Offering 6,200	None	Not IPO yet
08/1990	10	2,300	23,000	1,150	11,500	Cash Offering 5,300	None	Not IPO yet
03/1992	10	2,300	23,000	2,300	23,000	Cash Offering 11,500	None	Not IPO yet
12/1993	10	6,000	60,000	6,000	60,000	Cash Offering 20,900 Capitalization of Profits 16,100	None	Not IPO yet
09/1994	10	19,800	198,000	19,800	198,000	Cash Offering 60,000 Capitalization of Profits 78,000	None	Not IPO yet
06/1995	10	39,600	396,000	39,600	396,000	Capitalization of Profits 198,000	None	06/28/1995 SFC No. 37335
06/1996	10	64,360	643,600	64,360	643,600	Capitalization of Profits 247,600	None	06/26/1996 SFC No. 40155
06/1997	10	105,500	1,055,000	105,500	1,055,000	Capitalization of Profits 411,400	None	06/10/1997 SFC No.46641
06/1998	10	184,000	1,840,000	184,000	1,840,000	Capitalization of Profits 785,000	None	06/08/1998 SFC No.49408
06/1999	10	269,120	2,691,200	269,120	2,691,200	Capitalization of Profits 851,200	None	06/23/1999 SFC No.57760
06/2000	10	600,000	6,000,000	370,000	3,700,000	Capitalization of Profits 1,008,800	None	06/03/2000 SFC No.48003
09/2000	10	600,000	6,000,000	390,000	3,900,000	Cash Offering for GDR 200,000	None	09/18/2000 SFC No 72620
06/2001	10	700,000	7,000,000	534,000	5,340,000	Capitalization of Profits 1,440,000	None	06/27/2001 SFC No 140791
12/2001	10	700,000	7,000,000	544,742	5,447,424	Merger from Grandtech 10,742	None	12/12/2001 SFC No 173137
06/2002	10	1,000,000	10,000,000	694,950	6,949,500	Capitalization of Profits 957,334	None	05/30/2002 SFC No.129546

						And Capital Surplus 544,742		
07/2003	10	1,000,000	10,000,000	777,504	7,775,040	Capitalization of Profits 130,590 And Capital Surplus 694,950	None	05/22/2003 SFC No.0920122560
06/2004	10	1,000,000	10,000,000	875,254	8,752,544	Capitalization of Profits 355,500 And Capital Surplus 622,004	None	06/15/2004 SFC No.0930126644
07/2005	10	1,050,000	10,500,000	945,570	9,455,700	Capitalization of Profits 487,576 And Capital Surplus 175,051 Employee Stock Option 40,529	None	07/11/2005 FSC No. 0940127940 TSE No.09400288741
11/2005	10	1,050,000	10,500,000	948,147	9,481,472	Employee Stock Option 25,772	None	TSE No.09400340711
03/2006	10	1,050,000	10,500,000	948,730	9,487,297	Employee Stock Option 5,825	None	TSE No.09500052761
06/2006	10	1,050,000	10,500,000	949,784	9,497,844	Employee Stock Option 10,547	None	TSE No.09500116511
06/2006	10	1,200,000	12,000,000	1,021,358	10,213,578	Capitalization of Profits 508,844 And Capital Surplus 189,230 Employee Stock Option 17,660	None	FSC No.0950126238
11/2006	10	1,200,000	12,000,000	1,022,777	10,227,773	Employee Stock Option 14,195	None	TSE No.0950030505
01/2007	10	1,200,000	12,000,000	512,212	5,122,119	Capital Reduction 5,114,358 Employee Stock Option 8,703	None	FSC No.0950159014
03/2007	10	1,200,000	12,000,000	512,954	5,129,537	Employee Stock Option 7,418	None	TSE No.0960005441
09/2007	10	1,200,000	12,000,000	554,240	5,542,399	Capitalization of Profits 288,622 And Capital Surplus 102,415	None	FSC No.0960038299

						Employee Stock Option 21,825		
11/2007	10	1,200,000	12,000,000	556,051	5,560,514	Employee Stock Option 18,115	None	TSE No.0960037136
03/2008	10	1,200,000	12,000,000	556,750	5,567,504	Employee Stock Option 6,990	None	TSE No.09700075761
05/2008	10	1,200,000	12,000,000	556,893	5,568,931	Employee Stock Option 1,427	None	TSE No.09700142371
09/2008	10	1,200,000	12,000,000	598,203	5,982,028	Capitalization of Profits 301,637 And Capital Surplus 111,092 Employee Stock Option 368	None	FSC No.0970036239
02/2009	10	1,200,000	12,000,000	596,910	5,969,099	Treasury Stock write-off 12,929	None	TSE No.0980003591
03/2014	10	1,200,000	12,000,000	591,995	5,919,949	Treasury Stock write-off 4,915	None	TSE No.10300058351

April 14th, 2024/Unit: shares

Type	Authorized Capital				Remark
	Issued Shares	Treasury Stock Shares	Un-issued Shares	Total	
Common Share	591,994,919	0	608,005,081	1,200,000,000	

SHELF REGISTRATION

Type	Shares Expected to Issue		Issued Shares		Objective and Expected Benefit of Issued Shares	Expected time of Un-issued Shares	Remark
	Total Shares	Amount	Amount	Price			
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

4.1.1 Composition of Shareholders

April 14th, 2024/Unit: share

Shareholder Amount	Government	Financial Institutions	Others Juridical Person	Foreign Institutions and natural Person	Individuals	Total
Persons	0	3	307	239	112,653	113,202
Shares	0	12,101	17,824,177	93,380,671	480,777,970	591,994,919
Shareholding	0%	0.00%	3.01%	15.77%	81.22%	100.00%

Note: The first-listed companies and cabinet companies should disclose their shareholdings in land-based capital; land-based capital refers to the people, legal persons, organizations, and other organizations in mainland China as stipulated in Article 3 of the People's Republic of China to Taiwan Investment Permit Measures, or its investment in a third region.

4.1.2 Distribution Profile of Shareholder Ownership – Common Share

April 14th, 2024

Shareholding Ownership	Number of Shareholders (persons)	Shares Owned (shares)	Holding (%)
1~999	52,582	2,485,471	0.42%
1,000~5,000	47,647	99,579,571	16.82%
5,001~10,000	7,097	57,520,176	9.72%
10,001~15,000	1,955	25,121,544	4.24%
15,001~20,000	1,362	25,593,674	4.32%
20,001~30,000	1,024	26,204,709	4.43%
30,001~40,000	438	15,730,914	2.66%
40,001~50,000	270	12,636,722	2.13%
50,001~100,000	451	32,685,089	5.52%
100,001~200,000	190	27,671,867	4.67%
200,001~400,000	97	26,207,039	4.43%
400,001~600,000	32	15,408,998	2.60%
600,001~800,000	10	7,001,952	1.18%
800,001~1,000,000	5	4,572,193	0.77%
Over 1,000,001	42	213,575,000	36.09%
Total	113,202	591,994,919	100.00%

4.1.3 Distribution Profile of Shareholder Ownership – Preferred Shares

Not Applicable

4.1.4 Major Shareholders

April 14th, 2024

Name	Shareholding	Shares Owned	Holding %
Chou-Chye Huang		92,737,817	15.67%
De-Zhong Liu		12,497,523	2.11%
Global View Co., Ltd.		10,038,049	1.70%
Shu Weiren (Representative of Legal Entity)			
Polunin Emerging Markets Small Cap Fund, LLC		7,148,825	1.21%
Wen-Qin Lee		6,800,000	1.15%
JPMorgan Chase Bank Taipei Branch is entrusted with the custody of the Van Gard Emerging Markets Stock Index Fund Investment Account of the Manager of the Van Gard Group		5,884,000	0.99%
Chase Managed Advanced Starlight Advanced Aggregate International Stock Index		5,845,752	0.99%
Standard Chartered Custodian iShares Emerging Markets ETF		5,247,000	0.89%
Chih-Hao Gong		4,699,926	0.79%
The Business Department of Standard Chartered International Commercial Bank is entrusted to keep the New York City Group Trust Investment Account		4,590,531	0.78%

4.1.5 Net Worth, Earnings, Dividends, and Market Price per Share

Item		Year	2022	2023	2024 (As of March 31st)
Market Price (Note1)	Highest		41.35	37.85	34.65
	Lowest		20.25	22.15	27.90
	Average		29.73	28.65	31.71
Net Worth (Note2)	Before Distribution		15.74	14.42	-
	After Distribution		15.14	(Note 9)	-
Earnings Per Share	Weighted Average Shares		588,434,923	588,434,923	-
	EPS (Note3)		0.37	(0.84)	-
Dividends Per Share	Cash Dividends		0.60	(Note 9)	-
	Stock Dividends	-	-	(Note 9)	-
		-	-	(Note 9)	-
	Accumulated Undistributed Dividends(Note 4)		-	(Note 9)	-
Return on Investment	Price/Earnings Ratio (Note 5)		80.35	-	-
	Price/Dividend Ratio (Note 6)		49.55	(Note 9)	-
	Cash Dividends Yield Rate (Note 7)		2.02	(Note 9)	-

* If there is a capital increase allotment of surplus or capital reserve, the market price and cash dividend information retrospectively adjusted according to the number of issued shares shall be disclosed.

Note 1: List the highest and lowest market prices of common stocks in each year, and calculate the average market price of each year based on the transaction value and volume of each year.

Note 2: Use the number of issued shares at the end of the year as the basis and fill in the distribution according to the resolution of the board of directors or the next year's shareholders' meeting

Note 3: If retroactive adjustment is required due to stock dividends, etc., the earnings per share before adjustment and after adjustment shall be listed

Note 4: If the conditions for the issuance of equity securities stipulate that the unpaid dividends of the current year may be accumulated to be distributed in the year with surplus, the accumulated unpaid dividends up to the current year shall be disclosed separately.

Note 5: Price/Earnings ratio=average market price/earnings per share

Note 6: Price/dividends ratio=Average market price/cash dividends per share

Note 7: Cash dividends yield rate=cash dividend per share/average market price per share

Note 8: The net value per share and earnings per share shall be filled in with the information audited (reviewed) by an accountant in the most recent quarter up to the date of publication of the annual report; the remaining columns shall be filled with the data of the current year up to the date of publication of the annual report.

Note 9: The proposal for the allocation of losses for the fiscal year 2023 was approved at the board meeting on March 13, 2024. However, it is still pending approval at the shareholders' meeting scheduled for June 12, 2024.

4.1.6 Dividend Policy

a) Dividend policy in the “Article of Incorporation”

If the company has a surplus after the annual final accounts, in addition to paying profit-seeking enterprise income tax and making up for losses in previous years, 10% of the statutory surplus reserve shall be allocated first, but this is not the case when the statutory surplus reserve has reached the total capital. Next, the special surplus reserve shall be appropriated or reversed in accordance with the laws or regulations of the competent authority. The remaining surplus, together with the accumulated undistributed surplus in the previous period, shall be shareholder dividends. The board of directors shall prepare a distribution proposal and submit it to the shareholders' meeting for resolution. However, the ratio of surplus distribution and the ratio of cash dividends to shareholders may be adjusted by resolution of the shareholders' meeting depending on the actual profit and capital status of the year. The total shareholder dividends for the annual surplus distribution shall not be less than 10% of the newly added distributable surplus for the year, but may not be distributed if it is less than 1% of the paid-in capital. The aforementioned cash dividends shall not be less than 10% of the total dividends payable to shareholders.

b) Dividends for 2023

The company incurred a net loss for the fiscal year 2023, therefore no dividends are available for distribution.

c) The proposed distribution of cash dividends from the capital reserve at this shareholder meeting is as follows: Not applicable.

d) Expected Variation: None

4.1.7 The impact of the stock dividends proposed at this shareholders' meeting on the company's operating performance and earnings per share

The company has not prepared and announced the financial forecast for 2024, so there is no need to disclose this information.

4.1.8 Profits Distributed as Employee Rewards and Directors and Supervisors' Compensation

a) The percentage or range of remuneration for employees, directors, and supervisors as stipulated in the company's articles of association.

If the company makes profits in the year, no less than 1% should be appropriated as employee remuneration and no more than 1.5%. Remuneration for directors. However, if the company still has accumulated losses (including adjustments to the amount of undistributed surplus), it shall reserve the compensation amount in advance.

The employee remuneration mentioned in the preceding paragraph may be paid in stock or in cash, and the recipients may include the employees of the affiliated company who meet the requirements set by the board of directors. The remuneration of the directors referred to in the preceding paragraph shall be paid in cash only.

The first two items shall be implemented by a resolution of the board of directors and shall be reported to the shareholders' meeting

b) The accounting treatment for any differences between the estimated and actual amounts of accruals for employee, director, and supervisor remuneration for the current period, including the basis of estimation, calculation basis for stock-based employee compensation in terms of shares, and the actual distribution amount.

The company estimates employee and director remuneration based on a percentage stipulated in the articles of association, accruing them at a certain ratio and recognizing them as current expenses. Any differences between the actual distribution amount and the estimated amount are treated as accounting estimate adjustments and are adjusted in the year in which the adjustment is resolved at the shareholders' meeting.

c) The proposed distribution of employee compensation and director compensation for 2023 approved by the board of directors

The company incurred a net loss for the fiscal year 2023; hence, no employee or director remuneration was distributed.

d) The previous year's surplus was used to distribute employee dividends and remuneration for directors and supervisors

Approval by shareholder' meeting on June 13, 2023:

	Amount(NTD)
Cash rewards to Employee	\$2,216,337
Cash bonus to Directors	3,324,504
Total	<u>\$5,540,841</u>

There is no difference between the above distribution and the resolution of the Board of Directors of the Company don March 15, 2023.

4.1.9 Buyback of Common Shares

None

4.2The handling of corporate bonds shall include outstanding corporate bonds and corporate bonds in process, and disclose relevant matters and their impact on shareholders' rights and interests with reference to the provisions of Article 248 of the Company Law : None.

4.3The handling of special shares shall include the special shares in circulation and in process, and disclose the relevant issuance conditions, impact on shareholders' rights and interests, and matters stipulated in Article 157 of the Company Law: None.

4.4 Issuance of GDR: None

4.5 Employee Stock Options Plan

4.5.1 As of the printing date of the annual report, the status of outstanding employee stock options that have not yet matured should be disclosed, along with their impact on shareholder equity: None

4.5.2 As of the printing date of the annual report, the names, acquisition details, and subscription status of the top ten executives who have obtained employee stock options should be disclosed: None

4.6 Restricted Employees Stock

4.6.1 For IPOs with limited employee rights that have not fully met the vested conditions, the status of the IPOs as of the publication date of the annual report and the impact on shareholders' rights and interests should be disclosed: None.

4.6.2 Names of the managers who have acquired new shares with restricted employee rights and the top ten employees with the number of shares acquired up to the date of publication of the annual report: None

4.7 Handling of issuing new shares for mergers or acquisitions of other companies' shares

4.7.1 The issuance of new shares for mergers or acquisitions of other companies' shares completed during the most recent fiscal year and up to the printing date of the annual report: None

4.7.2 The issuance of new shares for mergers or acquisitions of other companies' shares, which have been approved by the Board of Directors during the most recent fiscal year and up to the printing date of the annual report: None

4.8 Fund utilization plan and implementation: not applicable

5 Business Highlight

5.1 Business Activities

5.1.1 Business Scope

a) Major Business

CC01080 Manufacturing of electronic component

I501010 Product Designing

F401010 International Trading

I301010 Software Design Services

I301020 Data Processing Services

R&D, Manufacturing, Testing, Selling of

(1) ICs

(2) modules

(3) Application software

(4) IPs

(5) Trading and Agency Business of ICs

Product Segments and Sales Amount

Unit: NT\$K ; %

Product Categories	2023	
	Amount	Percentage %
IC income	5,155,084	93.13
Other	380,337	6.87
Total	5,535,421	100.00

Plan to develop new products (services)

Company	Plans to develop new products
Sunplus Technology	<ul style="list-style-type: none"> (1) Automotive Infotainment System Chips (2) Automotive Smart Cockpit System Chips (3) Automotive Driver Assistance System Chips (4) Automotive Cockpit Acoustic System Chips (5) Automotive Instrument Cluster System Chips (6) Immersive High-Resolution Audio Chips (7) Integrated Bluetooth Transmission Audio Chips (8) Intelligent Voice Processing Audio Chips (9) Multifunction Wireless Audio Modules (10) High-Speed Interface IP (11) High-Performance Data Converters IP (12) Analog IP (13) Visual AI Chips (14) Generative AI Chips
Generalplus Technology	<ul style="list-style-type: none"> (1) Next-Generation 16-bit μnSP CPU Voice Synthesis Control Chip: <ul style="list-style-type: none"> (a) Integrated microphone amplifier circuit and high-resolution digital audio amplifier circuit. (b) Built-in SPU (Speech Processing Unit) for handling audio synthesis tasks. (c) Integrated SPI interface, compatible with various sizes of SPI Flash memory for quick code updates. (2) Next-Generation 16-bit μnSP CPU LCD Control Chip: <ul style="list-style-type: none"> (a) Ultra-low power consumption, operable with a single battery voltage. (b) Built-in Flash memory for quick code updates. (3) Next-Generation 40nm Multimedia Application SoC: <ul style="list-style-type: none"> (a) High-performance ARM9 CPU. (b) Enhanced image processing capabilities with ISP (3D denoise, Contrast Enhancement). (c) Built-in deep learning IP developed by Lingtong,

	<p>supporting various algorithms such as face/body/gesture recognition, background removal without a green screen, background blurring, age transformation, and cartoonization.</p> <p>(d) DDR/DDR2 PHY interface.</p> <p>(4) Next-Generation 8/32-bit Motor Control/Wireless Charging MCU:</p> <p>(a) Integrated high-speed operational amplifier and analog-to-digital converter, supporting brushless DC motor and wireless charging applications.</p> <p>(b) Optimized peripheral circuits to provide customers with a higher cost-performance ratio than the previous generation.</p> <p>(5) Optimized Peripheral Circuits to Provide Customers with a Higher Cost-Performance Ratio than the Previous Generation:</p> <p>(a) Integrated LIN BUS high-voltage circuit, meeting AEC-Q100 automotive quality standards.</p> <p>(b) Integrated LED driver circuit, capable of directly driving LED light strips.</p>
Sunplus Innovation Technology	<p>(1) Compliant with Windows Hello Human Presence laptop embedded 5M AI camera control chip</p> <p>(2) USB2.0 5M HDR/WDR image processing chip</p> <p>(3) Intelligent image detection function image processing chip with multi-detection</p>
Jumplux Technology	<p>(1) Front-mounted car specification USB3.2 TYPE C MediaHUB IC</p> <p>(2) USB2.0 OTG MediaHUB IC</p>

5.1.2 Industry Overview

Industry Status and Exhibition

In 2024, the semiconductor industry faces a multitude of impacts, including the US-China conflict, geopolitical uncertainties, inflationary pressures, and global economic conditions. Here are the potential opportunities and challenges:

Opportunities:

Technological Innovation and Demand Growth: The semiconductor industry is continuously innovating, and the increasing demand in emerging application areas such as 5G, artificial intelligence, and the Internet of Things may drive industry expansion.

Supply Chain Diversification: Due to US-China tensions, companies may consider diversifying their supply chains by seeking partners in other regions to mitigate potential geopolitical risks.

Government Support: Some countries may support their local semiconductor industries through policies and funding to promote domestic technological development and enhance global competitiveness.

Challenge:

Geopolitical risks: Sino-U.S. conflicts could lead to supply chain disruptions, trade restrictions, and the risk of technology transfer, which could adversely affect the semiconductor industry.

Raw material price fluctuations: Geopolitical instability and inflation may cause price fluctuations in raw materials required for semiconductor manufacturing, which in turn affects corporate costs.

Global inflation and cost pressure: Global inflation may cause production and transportation costs to rise, further compressing corporate profit margins.

Competition for talents: The semiconductor industry has always needed highly skilled professionals, and competition is fierce. Geopolitical factors may affect cross-border talent flows, thereby affecting the industry's talent supply.

In summary, the semiconductor industry may face a series of opportunities and challenges in 2024. Lingyang will pay close attention to changes in the global environment, respond flexibly to market changes, and focus on technological innovation and supply chain stability.

For the automotive electronics industry, the above situation will also have various impacts, some of which are favorable and unfavorable factors include:

Favorable factors:

Smart car demand growth: With the development of smart car technology, including self-driving technology, Internet of Vehicles and advanced driver assistance systems, demand for automotive electronics will continue to grow. Expansion of the electric vehicle market: Increased global demand for electric vehicles has promoted the development of automotive electronic components such as battery technology, charging infrastructure and vehicle control systems related to electric vehicles. Promoted by environmental regulations: The government's strict requirements on vehicle emissions have prompted automakers to add electric and hybrid models, further promoting the development of automotive electronics technology. Supply chain diversification: Faced with geopolitical risks, automotive electronics manufacturers may seek to diversify their supply chains and reduce dependence on specific regions.

Disadvantages:

Supply chain instability: The Sino-US conflict may lead to instability in the automotive electronics supply chain, including component supply disruptions, price fluctuations and technology transfer risks. Rising costs: Inflation and geopolitical factors may cause raw material prices to rise, further increasing the cost of automotive electronics manufacturing. Technology transfer risk: Sino-US conflict may lead to the risk of technology transfer, especially if the relevant technology is subject to special controls.

Market uncertainty: Uncertainty about geopolitics and global economic conditions may affect automobile sales, which in turn affects demand in the automotive electronics market. In terms of AI and smart products, the demand for computing power has been increasing in recent years. At the same time, AI technology has been advancing by leaps and bounds with the development of global heavyweight companies. The current craze of AI has evolved from visual neural networks a few years ago to self-generated technology today. For generative AI of conversations and images, as new companies continue to invest in software and algorithms, the demand for computing platforms is also gradually increasing. But at the same time, specifications are full of uncertainty, and costs and energy consumption requirements are also being adjusted on a rolling basis. Taiwan has a unique position in the AI chip industry. The semiconductor industry chain is complete, from wafer manufacturing, memory integration, and advanced packaging. In addition, with the encouragement of the government, there are many hardware IP and software programs required for AI. The joining of new entrepreneurs can form a complete supply ecological chain. Overall, this is a brand-new opportunity that cannot be missed. On the contrary, the latest technology has caused the product to be immature. The continuous changes in end products are an issue that requires constant attention to avoid a gap between the final development results and the current market demand.

Interconnection among upstream, midstream and downstream industries

The company is responsible for specification formulation, IC design and system design, wafer probing and after-sales services. Mask production, wafer manufacturing, wafer cutting, IC packaging and final testing are entrusted to professional manufacturers. Taiwan's semiconductor manufacturing supply chain is very complete. Upstream and downstream manufacturing plants are located in or around the Hsinchu Science Park, forming a semiconductor cluster effect that can effectively improve manufacturing production efficiency.

a) Market Trend and Competition

Company	Main Product	Product development trends and competitive situation
Sunplus	IC products are applied in automotive smart cockpit systems, advanced driver-assistance systems (ADAS), and various home audio systems, including soundbars and DVD players. They are also used in visual AI chips and for licensing high-speed interface IP, high-performance data converter IP, and analog IP.	Sunplus focuses on supporting mobile connectivity features such as Apple CarPlay and Google Android Auto with its Display Audio SoC as the flagship product, expanding into smart cockpit systems. From 2022 to 2023, several OEM customers have adopted these products for mass production. In 2024, Sunplus will continue to invest in system and IC development in this area. Additionally, with automotive dashboards (including for both four-wheel and two-wheel vehicles) transitioning from analog to digital, Sunplus sees a promising future and has invested resources in developing related SoCs. Sunplus also excels in acoustic algorithm technology, integrating Dolby Atmos and

		<p>DTS V:X to develop a 3D immersive HD audio SoC. By 2023, most renowned global audio-visual brands have adopted this SoC for mass production. In 2024, Sunplus plans to integrate the latest Bluetooth technology to achieve spatial wireless surround sound experiences. Concurrently, they are developing AI voice processing audio chips to promote them across various consumer and information audio products, aiming to become the world's leading professional audio chip supplier.</p> <p>Sunplus also provides IP licensing for high-speed interfaces, data converters, and analog technologies.</p> <p>Moreover, the visual AI chip developed by Sunplus is a system-on-chip featuring image input interfaces and a comprehensive Linux and AI development environment. Utilizing vision-based AI technology, it is capable of complex image processing and analysis, supporting various AI algorithm developments. This chip offers high computational performance while maintaining low power consumption and a compact size. It can be applied in various fields, such as intelligent surveillance and autonomous mobile robots, representing a highly valuable technological innovation.</p>
Generalplus	<p>A. Educational learning platform B. Smart interactive toy market C. Wireless charging market D. Imaging product market E. Brushless Motor Market</p>	<p>A. Educational learning platform The highly integrated ARM 9 SoC up to 513MHz can not only achieve full HD 1080P full high-definition H.264 image compression and decompression, but also support 5 million pixels of photography and add a number of new hardware acceleration engines. In 2020, an AI chip integrating a neural network will be launched, which will be applied to products including face recognition, tracking, and object recognition in conjunction with related algorithms developed by itself. Its response speed and accuracy have comparable effects. In 2021, the more powerful A7 processor and the second-generation neural network-like chip will be launched, which further improves processing efficiency and can handle more complex algorithms and functions.</p> <p>It is worth mentioning that the "Magic Adventures Telescope," a new product from a major American educational brand, has been awarded Time Magazine's "Best Inventions of 2023"! This telescope features up to 110x magnification, allowing children to transform into professional astronomers, observing celestial bodies clearly at night and capturing photos to share. Additionally, it includes over 100 educational videos and games provided by NASA, enriching its educational content. This product uses Sunplus's 32-bit Cortex-M4 multimedia IC, making it an ideal toy design model under the STEM education trend.</p> <p>B. Smart interactive toy market</p>

		<p>In the field of interactive toys, the company has always led the market towards more interactive smart toys, covering platforms ranging from 8-bit, 16-bit to 32-bit. Because of the excellent performance of the platform, the company has created various interactive methods, and took the lead in developing voice recognition and image recognition technologies to implement in toy products.</p> <p>C. Wireless charging market In addition to continuously launching integrated transmitter chips, we are actively coordinating with the Wireless Power Consortium (WPC) to release new products in line with the latest specifications. In the second half of 2023, WPC announced the new Qi 2.0 specification, which standardized the magnetic attachment feature previously led by Apple. By the end of 2023, we became the first global batch to pass WPC Qi 2.0 product certification, maintaining a relatively leading position in the field of wireless charging.</p> <p>D. Image Product Market In addition to continuously increasing market share in the original driving recorder market with the advantages of higher integration, high stability and high cost performance, it is also developing into other consumer fields on the basis of image processing, including children's cameras, outdoor multi-function Cameras, live streaming tracking platforms, personal care products, and new applications and products are constantly being introduced to the market.</p> <p>E. Brushless Motor Market We have introduced integrated ICs that combine driving functions, expanding their application areas from the originally dominant electric bicycles/scooters to gradually encompassing household appliances such as fans, vacuum cleaners, hair dryers, as well as industrial fans, handheld power tools, and more. Additionally, in response to the fiercely competitive mainland China market, we continue to develop competitive new products to sustain overall profitability.</p>
Sunplus Innovation Technology	<p>1. Image processing control chip, main application: (1) Laptop Embedded Camera (NB Camera) (2) USB external webcam (USB Webcam) (3) Document Scanner (4) Medical endoscopic camera (5) Pull the camera back from the driving recorder (6) Internet of things agricultural surveillance camera</p> <p>2. Micro-control chip, the main</p>	<p>Development trend: A. Image processing control chip With the popularization of network cameras, users have higher and higher requirements for the image quality of network cameras. The company's R & D and marketing strategy is to focus on products with HD, FHD, 5 million and 4K2K resolution specifications, and introduce artificial Intelligent edge computing capability, aiming to provide high-quality high-end imaging application products and solutions as the market goal.</p>

	<p>application:</p> <p>(1) IoT wireless sensing control bridge module</p> <p>(2) low power consumption IOT imaging system</p>	<p>With the proliferation of the Windows 11 operating system, the video image quality of network cameras has become a critical design factor. Major brand customers require products to pass image quality certification and obtain corresponding labels to showcase product standards. In terms of related image quality testing and certification, our company has developed a complete measurement environment and verification technology, with extensive tuning experience, to provide customers with relevant image adjustment technical support and services.</p> <p>Additionally, the built-in Windows Hello biometric recognition system in Microsoft operating systems requires the addition of an infrared (IR) camera module for facial recognition. Our company proposes an image control chip compatible with RGB IR sensors, successfully obtaining Microsoft's Windows Hello facial recognition camera certification. Looking ahead, our company will continue to optimize image processing controller chips and incorporate AI computing processors to meet market demands for the security and reliability of biometric recognition systems.</p> <p>B. Microcontroller chip</p> <p>Microcontrollers (MCUs) integrate microprocessor units (MPUs), memory components, standalone input/output circuits, and peripheral communication interface circuits. They are capable of independently completing control tasks within embedded systems. Our company's MCU products are primarily applied in Human Interface Devices (HID). Additionally, with the increasing popularity and applicability of low-power IoT imaging devices, our company has developed low-power image microprocessor chips specifically designed to provide extremely power-efficient and excellent image processing capabilities. Looking ahead, our company will continue to optimize the capabilities of microprocessor chips, incorporating edge computing AI computing modules to meet the demand for intelligence in IoT devices.</p> <p>Competition situation:</p> <p>A. Image processing control chip</p> <p>Due to the large amount of global semiconductor sales, it is difficult to distinguish the terminal product categories. According to the Trend Force report, the global notebook computer shipments in 2023 will be about 166,000 units. At present, the leading manufacturer of image processing chip IC design for NB Camera is my country. Realtek and the company, Realtek's product line primarily encompasses HD,</p>
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		FHD, and 5M/4K chips. Our company specializes in image processing chips for HD, FHD, and 5M/4K applications, with a focus on edge AI computing development. Sonix serves as the third-party supplier in this regard. IOT Image processing MCU is a diverse market, and there is no dominant competitive leader.
Jumplux Technology	Factory-installed regulations USB2.0 MediaHub IC Factory-installed regulations USB2.0 OTG HUB IC	Factory-installed car specification product line: With the factory-installed car customers who have already shipped, they continue to work on peripheral chips related to pre-installed car specifications. The current main competitors are Microchip, ST, Ti and NXP

5.1.3 Technology and Development

a) R&D expenditure

Unit: NT\$, %

Item	Year	2023
Expense		2,040,283
Percentage to Revenue		37%

b) R&D Accomplishment

Company	Accomplishment	Applications
Sunplus	(1) H.264 decoder (2) MPEG2/MPEG4 decoder (3) Servo Control (4) HDMI DVD Chip Product (5) JPEG decoder (6) Video encoder (7) CarPlay / Android Autod single chip and system platform (8) ADAS system platform (9) Various immersive surround sound field algorithms (10) The latest Bluetooth audio wireless transmission technology (11) Various Artificial Intelligence Speech Processing Technologies (12) Vision AI Processing (13) Generative AI Accelerator Chip	(1) Automotive Infotainment System Chip (2) Automotive Smart Cockpit System Chip (3) Automotive Advanced Driver Assistance System (ADAS) Chip (4) Automotive Cabin Acoustic System Chip (5) Automotive Instrument Cluster Platform (6) Immersive High-Resolution Audio Chip (7) Integrated Bluetooth Audio Transmission Chip (8) Intelligent Speech Processing Audio Chip (9) Multi-function Wireless Audio Module (10) High-Speed Interface IP (11) High-Performance Data Converter IP (12) Analog IP (13) Visual AI Chip (14) Generative AI Acceleration Chip
Generalplus	(1) Development of Next-Generation 4-Bit RISC CPU Speech Synthesis Control IC (2) Completion of Next-Generation 32-Bit High-Performance	(1) The IC is capable of accommodating various sizes of SPI Flash, offering customers a cost-effective speech synthesis solution. Simultaneously, the development of a new generation

	<p>Multimedia Open Application Platform SoC at 22 Nanometers</p> <p>(3) Development of 32-Bit Embedded Flash MCU at 55 Nanometers</p>	<p>16-bit μnSP CPU speech synthesis control IC has been completed. It integrates CPU, cache memory, RAM, I/O, timers, high-resolution digital audio amplification drive circuits, and SPI interface. It allows for high-speed computation with external SPI Flash, providing customers with a high-performance and cost-effective speech/music synthesis solution.</p> <p>(2) The IC features a built-in Cortex-A7 CPU, 3D GPU, next-generation deep learning engine, image, speech processing units, high-speed audiovisual interfaces, etc. All engineering development outcomes meet expectations. In terms of multimedia algorithm development, successful deep learning algorithms have been developed, including gaze detection, human posture recognition, dual-person background removal, dual-person makeup, multi-object recognition, 3D object recognition, etc. These algorithms assist customers in developing various audiovisual applications such as human-machine interface platforms and artificial intelligence.</p> <p>(3) The IC includes built-in high-bandwidth (20MHz) operational amplifiers and high-speed SAR ADC (3Msps) IPs, suitable for applications like dual DC brushless motor drive control and wireless charging, providing customers with a cost-effective MCU solution. This MCU is designed to meet AEC-Q100 automotive standards, and detailed reliability verification will be conducted 2024 fiscal year.</p>
<p>Sunplus Innovation Technology</p>	<p>(1) USB2.0 camera controller with AI for NB/PC</p> <p>(2) USB2.0 camera controller with HDR for NB/PC</p> <p>(3) USB3.0 camera controller for video conference/industrial camera</p>	<p>(1) Complete the development of a low-power, NB/PC camera controller with AI functions, which can fully meet the strict requirements of Microsoft's new generation of HPD (Human Presence Detection) for low power consumption</p> <p>(2) Using advanced algorithms to complete the development of hardware HDR (High Dynamic Range) technology that does not require built-in DRAM, it can still retain the details of the bright and dark parts of the photo in an environment with a greater difference between light and dark</p> <p>(3) Using advanced image processing algorithms, with a USB3.0 high-transfer rate controller, complete the development of control chips for</p>

		video conferencing and industrial cameras
Jumplux	(1)USB Display IC (2)Automotive Mediahub IC	(1) Factory-installed car standard USB2.0 MediaHUB IC (2) USB2.0 OTG HUB IC

5.1.4 Business Plan

Short-term business plan:

In the realm of automotive chips and system platforms, Sunplus Technology has successfully mass-produced front-end and back-end client units featuring smartphone connectivity, particularly in Display Audio (DA) entertainment systems. Additionally, our business has expanded into cost-effective smart cockpit systems. In 2023, global production of light vehicles reached approximately 90 million units, with expectations of growth to 92 million units in 2024 (GlobalData Plc, Q4 2023 estimates). Despite challenges such as supply constraints and economic downturns, the automotive industry has shown robust performance throughout 2023, with demand projections indicating continued growth in production. In 2024, Sunplus will prioritize resource allocation towards applications in intelligence, connectivity, and electrification within its automotive product line. Expansion efforts will also target markets outside of China, including North America and Southeast Asia.

In the development of intelligent audio products, Sunplus has capitalized on the growing popularity of Dolby Atmos 3D sound effects, which have transitioned from high-end to mid-to-entry-level home audio systems. This has increased market penetration for Sunplus's immersive surround sound chips, with major international consumer electronics and professional audio brands adopting them, thus boosting market share. Furthermore, with the introduction of the latest Bluetooth audio specifications, coupled with new definitions of Low Energy Audio (LE Audio) and its broadcast feature (Auracast), Sunplus has begun integrating its innovative Bluetooth audio transmission chips into various audio applications such as home audio systems and portable audio devices (e.g., headphones, smartphones). These initiatives have commenced with early customers and will gradually enter shipment stages. Additionally, Sunplus has leveraged its proprietary AI algorithms to develop an innovative platform for intelligent product development, addressing various acoustics and speech processing needs for sound output and voice input. This platform aims to provide optimal audio experiences and meet the auditory demands of consumer and information markets.

In 2023, Sunplus launched a 12-nanometer AI SoC targeting home robotic vacuum cleaners, lawn mowers, and stereo vision camera modules. The primary markets for AI-enabled robotic vacuum cleaners are in China, while lawn mowers target the US market. These products are supported by system integration partners to offer comprehensive solutions and drive market penetration. The stereo vision camera module aims to fill the gap left by the end-of-life of Intel RealSense products.

Generalplus Technology specializes in consumer electronics chips, with a product line encompassing liquid crystal control, voice/music, multimedia, and microcontroller chips. The company holds a leading position in product development within this market. Key application products include electronic computers/gaming consoles, voice-activated interactive toys, digital audio players, various household appliances, and a wide range of consumer electronic products.

In the consumer product line, stable growth and profitability are anticipated, while in the multimedia product line, the focus is on AI smart robots, wearable devices, OID (Object Identification) products, dashcams, aerial recorders, and sports DV (Digital Video) cameras. Continued growth is expected in product development and market expansion.

In the MCU (Microcontroller Unit) product line, there will be a stronger emphasis on planning, developing new product lines, and establishing relationships with new customers. More resources will be invested to accelerate the expansion of the product line.

Sunplus Innovation Technology focuses on the development of computer peripheral application chips, including PC/NB human-machine interface device chips, webcam chips, optical sensors, remote control ICs, and more. In 2023, the majority of sales revenue came from camera control chip solutions related to PC/NB and consumer image processing solutions. The company continues to deepen its expertise in image processing technology while also investing in the field of computer vision to add more value to its image product solutions. With this strategy, Lingyang Innovative Technology expects to maintain steady growth in the future.

Jumplux Technology specializes in front-end automotive peripheral chips. In 2023, the top ten customers accounted for approximately 100% of total revenue, all of which are first-tier Tier 1 manufacturers based in mainland China, with product positioning focused on front-end automotive applications. The vehicles equipped with Jingshang products include joint venture automotive manufacturers from North America and Europe operating in mainland China, mass production by the top three domestic Chinese self-owned brand manufacturers, Japanese automotive manufacturers, and several emerging Chinese automotive manufacturers. In 2024, the SPD10X series automotive standard Media Hub product line continues to be deployed in numerous major Tier 1 manufacturers in China. The company expects to upgrade production to the SPD10X USB2.0 OTG Media product, while actively expanding into the new energy vehicle market to inject new momentum into the company's continued growth.

Long-term development:

Sunplus Technology includes all of the Group's consolidated entities, will continue to deepen its core competitiveness in all areas, strive to expand the market to increase market share, develop high value-added products to improve gross margin, observe the boom and market trends, adjust and optimize the product line Reinvestment to improve the performance of industry and industry investment, at the same time, it actively invests in the development of advanced technologies and products, expands the scale of operations, enriches the operating team and enhances the company's visibility and image, in the hope of creating more profit for all shareholders.

5.2 Market Status

5.2.1 Market Analysis

a) Market Analysis by Region

Unit: NT\$K, %

Area	2023	
	Amount (NT\$K)	Percentage (%)
Asia	3,135,376	56.64
Taiwan	2,400,029	43.36
Others	16	-
Total	5,535,421	100.00

b) Market Share

According to statistics from the Industrial Technology Research Institute (ITRI), the output value of Taiwan's IC industry reached NT\$4.3428 trillion in 2023, representing a decline of 10.2% compared to 2022. Within this, the output value of the IC design industry was NT\$1.0965 trillion, down by 11.0% from 2022; the IC manufacturing industry amounted to NT\$2.6626 trillion, reflecting an 8.8% decrease from 2022. Specifically, wafer foundry output was NT\$2.4925 trillion, declining by 7.2% from 2022, while memory and other manufacturing stood at NT\$170.1 billion, decreasing by 27.8%. The IC packaging industry amounted to NT\$393.1 billion, down by 15.6% from 2022, and the IC testing industry reached NT\$190.6 billion, showing a decrease of 12.8% from 2022.

Our company achieved a consolidated revenue of NT\$5.54 billion in 2023, accounting for approximately 0.50% market share.

c) Demand and Growth

With the conclusion of channel inventory adjustments by the end of 2023, terminal market demand has rebounded. Coupled with the momentum from applications such as AI, 5G, and high-performance computing, Taiwan's semiconductor output value is expected to reach NT\$4.9 trillion in 2024. The output value of the IC design industry, driven by demand for communication electronics and consumer electronics products, is estimated to reach NT\$1.25 trillion in 2024, representing a year-on-year growth of 16.4%.

Company	Product Application Market	Demands and Growth Factors
Sunplus	Car infotainment & ADAS	In 2024, global sales of light-duty vehicles are projected to grow by a modest 1% compared to 2023. Sunplus's market share in the OEM market is expected to increase, especially in exports to China and Southeast Asia. Orders from first-tier aftermarket brands remain stable. Negative factors such as inflation and geopolitical tensions continue to impact the global economic outlook. The chip production and supply situation is normal, but the overall production cycle for automotive-grade products remains lengthy.
	Smart Audio Products	In 2023, the overall demand for audio products reached a nadir due to factors such as slowing demand for consumer products caused by global inflation and inventory digestion. However, with inventory digestion nearing its end and the continuous release of new audio products by major manufacturers in 2024, it is expected that market demand will gradually rebound from the trough. Sunplus's intelligent audio products, predominantly produced for major international household appliance and professional audio brand manufacturers, are primarily produced according to planned schedules. Additionally, Sunplus can regularly track and update market demands to respond to potential urgent orders from customers.
	Smart AI products	The all-new AI chip of 2024 will enter the market, addressing the demand for visual AI chips with low power consumption and high computational power. This marks Lingyang's first-generation AI product, and we are working closely with downstream partners to expand growth.
Generalplus	Education and learning toys	Electronic education toys have been more than ten years of history, because of its excellent interaction and sound and light effects, can help children to learn from the shape, name, number to text and so on, through fun games and interactive processes, due to the prevalence of smart phones and tablet PCs, for school age children and adolescents, in the electronic trend, manufacturers have also begun to launch such as Tablet PC learning platform, children in the subtle, but also because the

		learning effect is better than traditional books development of fast learning, so the market continues to grow rapidly.
	Intelligent interactive toys	The field of smart interactive toys is the company's key development direction and is the IC design company with the highest market share. In addition, in high-end products, 16 / 32-bit SoC control chips are also used in countless products every year, such as karaoke, electronic pianos, children's cameras, TV interactive entertainment platforms and wearable devices. In addition, intelligent photorealistic pets and robots are currently the hottest topics. Under the trend of aging, more products have been designed to be used by older ethnic groups.
	Wireless charging	All major smartphone brands worldwide have officially adopted wireless charging, indicating that the market continues to follow this trend. There are now over 500 million devices globally equipped with built-in wireless charging capabilities, and it is expected that the shipments of transmitters and receivers will continue to increase over the next decade. Particularly after the introduction of the new Qi 2.0 standard, which addresses the previous issues of misalignment and inefficiency commonly encountered in wireless charging, the widespread adoption of the technology is expected to be greatly facilitated. Moreover, the growth in the automotive market is also a focal point for the future development of wireless charging. Currently, there are over 200 models of vehicles equipped with wireless charging, including traditional manufacturers such as Mercedes-Benz, BMW, Lexus, Toyota, Honda, as well as all new energy vehicle models. Our company sees significant potential in the future market for wireless charging and has already taken the lead among peers in completing the technological layout and obtaining the latest Qi certification. The shipment volume of related products continues to rise steadily.
	Image product market	Our company has been operating in the field of imaging-related products for many years, with a solid technological foundation. In recent years, the market for dash cams has gradually matured, but Generalplus

		<p>has consistently maintained a certain market share and continues to introduce updated products. For example, we launched electronic rearview mirrors with voice control to enhance competitiveness.</p> <p>Additionally, in the market, we have ventured into new products such as smart door locks, hunting cameras, and personal health care products, among others.</p> <p>Despite the impact of inflation and interest rate hikes in 2023, which affected market demand, Generalplus has remained committed and focused on differentiation and the development of higher-end products. We aim to swiftly increase shipments when the market conditions improve.</p>
	Brushless DC Motor Market	<p>Under the trend of energy saving and carbon reduction in the brushless DC motor market, the rapid development of the overall market is beyond doubt! The company has been working in this field for many years, especially in the field of electric bicycles in mainland China, which has a market share of more than 30%. The application products also extend from electric bicycles, scooters, all the way to home appliances, machine tools, industrial control motors and other related applications. With the continuous increase of DC brushless motor products in the market, the company estimates that this product line can maintain an average annual growth rate of more than 10% in the next five years.</p>
Sunplus Innovation	Image signal processing chip/Microcontroller chip	<p>Starting from the second half of 2022, there was a slowdown in demand for various remote working devices, leading to the clearance of inventory becoming the primary task for businesses. However, with the growing trend of AI (Artificial Intelligence) and IoT (Internet of Things) applications penetrating various fields, even amidst the regional turmoil and economic downturn globally in 2023, the growth of new technology applications and the accompanying demand will drive an economic turnaround. The semiconductor component market demand is expected to continue to grow significantly.</p> <p>Our company will continue to develop differentiated, high-quality,</p>

		and high-value-added image processing chips to provide customers with products of superior quality and stability. This is to maintain our company's market competitiveness.
Jumplux	Factory-installed peripheral market	The automobile is hailed as the fourth C after the 3C market in the electronics industry. Especially with the joint investment of the automobile and electronics industries, the market has begun to accelerate development, and the industry, government, and academia are also optimistic about its future potential. According to the international management consulting company Bain & Company's report pointed out that the ADAS ecological supply chain includes inter-vendor technology, software, hardware and services. The output value in 2025 is US\$ 26 billion. In addition to the MediaHub that has been shipped, the current scene is also actively invested Development with related peripheral chips, such as pre-installed car audio class AB power amplifier chip, MIPI APHY TX RX chip.

d) Advantages and disadvantages of competitive advantages and development prospects

(1) Competition Analysis

- (a) Accumulation and impartation of the experience of the R&D team
The company since its inception in 1990 that is positioned as IC design company, management team has established a complete product development, technology management, marketing and other systems, and passed on to the backward employees, so that technology without fault, customers less complain, the staff personal growth achievements. In addition, Sunplus and actively establish a patent layout, so that the core IP research and development can create more value.
- (b) Focus on high-level consumer IC market, enlarge the distance from competitors
Since the IC market is extremely competitive and stagnation is an ever-present trap, we keep on bringing in a large number of R&D resources to develop new high-level consumer products and widening the distance between us and other competitors. Meanwhile, Sunplus' numerous product lines give us a tremendous advantage over our competitors. We are the kind of customer that prized by most wafer foundries because our wafer demand does not fluctuate when a few products are eliminated. Due to our steady stream orders to our wafer suppliers, we enjoy more consistent wafer supply during peak seasons over our competitors. This also allows us to keep our wafer costs at a competitive rate.
- (c) Strategic cooperation with upper stream and down- stream factories
In recent years, Sunplus has increased cooperation between our upper stream and down-stream factories. We believe that this new strategic and more dynamic cooperation relationship will bring positive contributions to our production and marketing in the long term.
- (d) Maintain long-term and stable cooperative relationship with customers
Consumer electronic products rely on IC to raise their added-on value; consequently the manufacturers and brand-names choose their IC suppliers with extreme caution by evaluating their product specification, features, delivery term, yield rate, and sales service. IC design houses have to work in coordination with customers to build up long-term relationship and facilitate the cooperation.

(2) Advantages

- (a) Sunplus offers high value-added products to enable customer to win the market.
- (b) The growing demand for SoC complicates IC product development and raises the entry barrier, which benefits IC design companies with rich resources like Sunplus.
- (c) Sunplus has strong IC design capability to meet customers' requirements for time to market and costs reduction.
- (d) Sunplus has built up long-term relationship with wafer foundries due to our steady demand for wafers, and therefore we can get stable supply and lower prices from wafer foundries.
- (e) Having achieved mass production success in both automotive OEM and aftermarket markets, our company has established a solid foothold in the supply chain, making it relatively easier for other newcomers to enter the automotive supply chain.
- (f) As the world's first to introduce Dolby Atmos integrated chips, we have commenced mass production with major international household electronics and professional audio brand manufacturers. With a high level of integration platform maturity and comprehensive professional development tools, our customers have high confidence in solution development.
- (g) We have established close partnerships with AI collaborators in both the Chinese and American markets, implementing tailored strategies for deep cultivation in respective regions.

(3) Disadvantages

- (a) The competitors are mainly international and big IC design companies.
- (b) Revenue and growth are slowing down due to poor PC demands.
- (c) SoC design and integration of features and functions, which developing products costs are a lot more than before, has become the trend of IC design.
- (d) Consumer application demands link to world economics.
- (e) There is high entry-barrier to get into automotive market.
- (f) Risks associated with trade tensions and geopolitical factors between China and the United States.
- (g) Rapid advancements in AI technology lead to rapidly changing demands, and semiconductor industry development cycles of over a year may not keep pace with market demand fluctuations.

(4) Business Strategy

- (a) Developing new and high value-added products.
- (b) Process migration to make per wafer productivity higher and drive cost down.
- (c) Expanding strategic partnership with clients to create win-win situation.
- (d) Collaboration with partners to broaden IP licensing sources.
- (e) We not only rely on a single market but seek opportunities in multiple markets, including different regions, application areas, and automotive manufacturers, to mitigate the risks associated with market uncertainties.

5.2.2 The significant applications and manufacturing processes of our main products:

a) Important Applications:

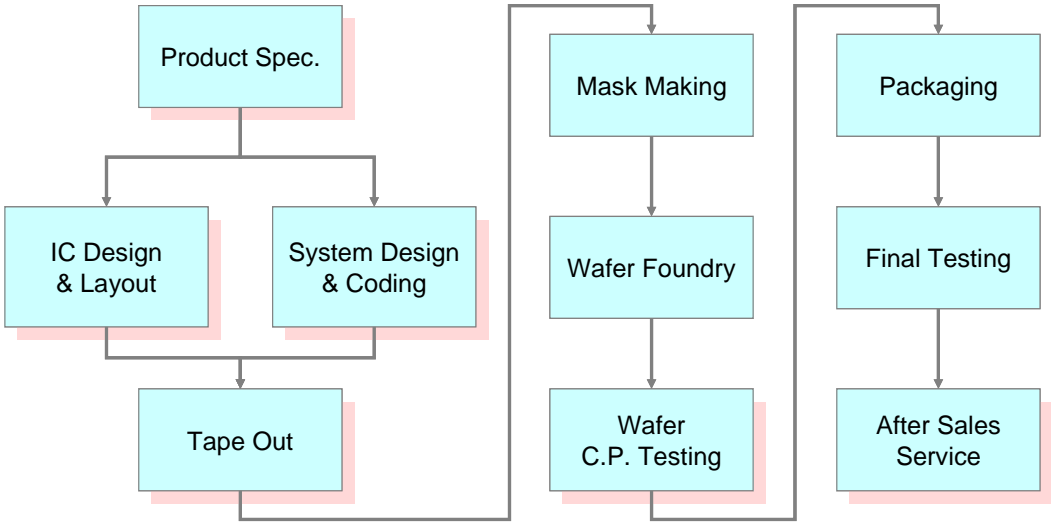
Car Audio Systems:

Our chips are utilized in automotive infotainment and driver assistance systems, integrating video decoding technology and offering a wide range of multimedia features. These systems provide various intelligent driving assistance functions, ensuring a safer and more comfortable journey for both drivers and passengers.

Smart Audio Products:

With the most advanced DSP high-performance computing technology embedded in the chip, our smart audio products deliver an immersive home theater sound experience. They also support a variety of audio interfaces for processing various audio source codecs, multi-channel surround sound effects, and special field effects, thus achieving the optimal listening experience through Sound plus Technology.

b) IC Development Flow



In the product development flow, Sunplus focuses on IC design, system design, wafer testing and sales services but out-sources most aspects of the manufacturing including mask making, wafer fabrication, packaging, and final testing.

5.2.3 Major Suppliers

The major materials are wafers, at present the main suppliers for domestic and foreign wafer foundry manufacturers, whose wafer supplements are sufficient and stable.

Main raw material name	Major suppliers	Supply status
Wafer	A, B, D	Quality and supply stability, long-term cooperation, the supply situation is good.

5.2.4 Major Customers and Suppliers in the Recent Two Years

a) Major Customers

Unit: NT\$K

2022				2023			
Customer	Sales Amount	% of Total Sales	Relation with Sunplus	Customer	Sales Amount	% of Total Sales	Relation with Sunplus
A	1,028,749	15.34	No	A	904,618	16.34	No
B	940,203	14.02	No	C	636,299	11.50	No
C	825,668	12.31	No	D	443,508	8.01	No
Others	3,911,088	58.33		other	3,550,996	64.15	
Net sales	6,705,708	100.00		net sales	5,535,421	100.00	

b) Major Supplier

Unit: NT\$K

2022				2023			
Supplier	Purchasing Value	% of Total Purchasing	Relation with Sunplus	Supplier	Purchasing Value	% of Total Purchasing	Relation with Sunplus
A	1,111,605	36.22%	No	A	566,481	46.95%	No
B	254,639	8.30%	No	C	203,915	16.90%	No
D	242,183	7.89%	No	D	86,137	7.14%	No
Others	1,461,030	47.59%		other	350,150	29.01%	
Net purchase	3,069,457	100.00%		net sales	1,206,683	100.00%	

5.2.5 Production

Unit: thousand pcs, NT\$K

Product \ Year	2022			2023		
	Capacity	Output	Value	Capacity	Output	Value
IC income	-	532,363	3,471,047	-	460,919	2,944,019
Other ICs	-	-	-	-	-	-
Total	-	532,363	3,471,047	-	460,919	2,944,019

Note: The main raw material of our products is wafer, and Sunplus out-sourced production to wafer foundries, so there is no capacity limitation.

5.2.6 Sales

Unit: thousand pcs, NT\$K

Product \ Year	2022				2023			
	Local		Export		Local		Export	
	Quantity	Sales	Quantity	Sales	Quantity	Sales	Quantity	Sales
IC income	187,113	2,624,245	339,537	3,676,870	192,346	2,389,726	245,456	2,765,358
Other ICs	-	13,763	-	390,830	-	10,303	-	370,034
Total	187,113	2,638,008	339,537	4,067,700	192,346	2,400,029	245,456	3,135,392

5.3 Personnel Structure

Year		2022	2023	As of April 14, 2024.
Workforce Structure by Job Function	R&D	778	786	767
	Production	67	66	66
	Administration	246	232	232
	Total	1,091	1,084	1,065
Average Age		38.3	37.1	37.6
Average Years Served		9.18	9.62	10.09
Workforce Structure by Education Degree	Ph.D.	1%	1%	1%
	Master	40%	39%	41%
	Bachelor	49%	50%	49%
	Other Higher Education	7%	7%	7%
	High School	3%	3%	2%
	Total	100%	100%	100%

5.4 Environmental Protection & Expenditures

5.4.1 Environmental Protection

The company is a professional IC design manufacturer of high-tech integrated circuits. It is engaged in the research and development of semiconductors in the Hsinchu Science Industrial Park. All products are entrusted to well-known domestic and foreign integrated circuit manufacturers to manufacture wafers, without any environmental protection regulations. Hazardous pollution sources and related matters that do not violate environmental protection regulations. Most of the company's operations are office operations, and there are no facilities and equipment that generate harmful pollution sources, and no expenditure on environmental protection operations; products are entrusted to wafer foundries, packaging, and testing foundries that have the best combination of quality, cost, and production efficiency. Reduce the consumption of defective products and effectively reduce environmental protection expenses directly and indirectly. If there are defective products, they are currently cleaned by qualified manufacturers for free, and there is no cleaning cost. Based on the concept of realizing environmental protection and showing care and responsibility for the society, the company has established an environmental protection system and promised and announced that it has passed ISO 14001:2015 certification; in addition, in order to reduce the impact of electronic waste on the ecological environment, Sunplus Technology provides customers with products that do not contain hazardous substances and are satisfactory. At present, all Sunplus products comply with regulations and customer requirements, and have passed IECQ QC080000 certification.

In order to reduce the impact of the greenhouse effect on the climate, Sunplus Technology is currently conducting self-inspection based on the ISO14064:2018 version, and takes the 100th year of the Republic of China as the base year for the inventory to conduct an inventory of greenhouse gas emissions, which is disclosed in the Sustainability Report (ESR Report).), without external validation.

According to the self-inspection results, the annual greenhouse gas emissions in the past three years (2021-2023) were 3,960.95, 3,634.229, and 3,459.469 (ton-CO₂ equivalent) respectively. Among the annual greenhouse gas emissions of 3,459.469 (ton-CO₂ equivalent) in 2023, those that belong to [a. Direct greenhouse gas emissions and removal] (ie ISO14064:2006 [Scope 1], direct emitters (such as fuel consumption of official vehicles and generators Oil user) is 2.7660 metric tons-CO₂ equivalent, only about 0.08%. The rest is [b. Indirect greenhouse gas emissions from input energy] (that is, [Scope 2] of ISO14064:2006, indirect emissions from purchased electricity and other energy sources) .

Sunplus belongs to the IC design industry. More than 99.9% of the greenhouse gas emissions are indirect emissions. The emission sources mainly come from the water and electricity needed for air conditioning and office lighting. The factory monitoring system has been used to make the operation of air conditioning equipment more efficient. , and at the same time, publicize energy-saving concepts and actions to colleagues, aiming to reduce unnecessary waste by more than 2% per year; compared with 2022, greenhouse gas emissions in 2023 will be significantly reduced by 4.81%, and have reached the standard in recent years.

At present, the existing monitoring system is used to control energy-saving measures. In the fourth quarter of 2022, the project cost of about NT\$ 4 million was used to completely replace energy-saving LED lamps in the factory. It is estimated that more than 280KWH of electricity consumption can be saved throughout the year. At least 143.5 tons-CO₂ equivalent of greenhouse gas emissions can be reduced, and the reduction rate of greenhouse gas emissions can reach more than 3.6%. In addition, it also actively strengthens employees' environmental protection awareness, promotes waste reduction, recycling, energy saving and water saving, and saves energy and resource consumption. , in order to reduce the impact on the environment.

The water consumption in 2023 was 25.59 kilotons, compared to 29.24 kilotons in 2022, representing a water saving of approximately 12.48%.

For the waste, the output of general industrial waste is 103.57 tons, with a monthly average

of 8.63 tons, including general waste from business activities (D-1801), waste plastic mixture (D-0299), and waste fiber mixture (D-0899) , and D-1801 category accounted for 79.43%; another IC defective product (hazardous industrial waste listed in the Environmental Protection Act) was 0.49 tons, and the output was very small; the statistics, evaluation and difference analysis of the total weight of industrial waste were in line with this The environmental safety and health management policy formulated by the company includes "risk control, disaster prevention" and "energy saving and waste reduction, sustainable environment".

5.4.2 Workplace

As a leading company in IC design, caring and taking care of the company's workers is the company's primary responsibility. We provide facilities and environment that are superior to occupational safety and health laws and regulations, and set up dedicated organizations and personnel in accordance with the law to implement environmental safety and health management related matters.

The relevant mechanical equipment in the company's workplace implements regular automatic inspections according to the statutory cycle, and the monitoring of the labor operation environment is implemented every six months (April and October each year) to ensure the safety of employees, the environment and equipment, and provide regular health checks that are superior to legal regulations. No occupational accident occurred in 2023. The number, number of employees and the ratio of occupational accidents to the total number of employees are all zero.

The company implements health checks for general employees and senior executives that exceed the requirements of laws and regulations every year to ensure that every employee can grasp their own health status. There is also a medical room, where professional physicians are stationed every two months to provide health consultation services for employees and arrange health promotion activities from time to time. More importantly, we provide a friendly breastfeeding room for working women, equipped with refrigerators and electric breastfeeding equipment, and passed the Hsinchu County Workplace Friendly Nursing Room certification in 2015, allowing every mother in need They can work with peace of mind; in 2020, they will pass the health workplace certification of the Ministry of Labor and Safety Administration to protect the physical and mental health of every employee.

Sunplus Technology has passed the ISO 14001:2004 environmental management system certification since September 2004, and passed the ISO 14001:2015 new version certification in November 2016; since April 2018, it has promoted the occupational safety and health management system (ISO45001:2018 and TOSHMS) construction operation, in 2019 obtained two international and Taiwan occupational safety and health management system (ISO45001 and TOSHMS) double certification. In response to the revision of TOSHMS (CNS15506:2011) to CNS45001:2018, Sunplus Technology is even ahead of its IC design peers, and switched to the new version in advance in December 2019 and obtained the new version verification.

Management system	International standard code and version	Valid from	Valid until
Environmental Management System	ISO14001:2015	2023/02/10	2026/02/09
Occupational safety and health management system	ISO45001:2018	2022/02/25	2025/02/24
	TOSHMS (CNS45001:2018)	2022/02/25	2025/02/24

5.5 Employees

5.5.1 Employee Welfare

We strive to provide a clean and supportive environment for our employees. We established an Employee Welfare Committee to operate welfare activities including emergency aid, educational grants, book purchase subsidies, social club activities and overseas trips. We also comply with the Labor Standards Law to conduct labor insurance and retirement system programs, and participation with the National Health Insurance plan according to the National Health Insurance Act. Moreover, we also handle group insurance and insurance for employees' family to ensure security for our employees.

5.5.2 Training and Development

In accordance with company development and individual training needs, the company integrates internal and external training resources to plan diversified training programs. The company also encourages employees to engage in self-learning. The key training focuses of the company are as follows:

Management Skills Training, Professional Skills Training, General Skills Training, Specific Skills, Self-Development Training.

5.5.3 Pension Plan

Sunplus has a pension plan for all regular employees, which provides benefits according to the Labor Standard Law. The Company makes monthly contributions, equal to 2% of salaries, to the pension fund, which is administered by a pension fund monitoring committee. The contributions are deposited in the committee's name in the Central Trust of China. If the estimated balance of the special account is insufficient to cover the benefits for employees who are expected to meet retirement conditions within the next fiscal year, the shortfall will be allocated in a lump sum before the end of March of the following year. The special account is managed by the Labor Pension Fund Supervisory Committee of the Ministry of Labor, and our company has no authority to influence investment management strategies. Since July 1, 2005, employees who choose Labor Pension Act Implementation Rules of the Labor Pension, the Company makes monthly contributions, equal to 6% of salaries to the personal pension fund of Bureau of Labor Insurance.

5.5.4 Other Affairs

Sunplus have smooth commutation channels with employees. Employees could address their opinions to management team directly. All operations are based on the Labor Standard Law. Sunplus' labor relations are outstanding. We are proud to say that there has not been a single loss resulting from a labor dispute since the establishment of the company.

5.5.5 Loss from Controversy between Labor and Management

None

5.6 Information security management

6.6.1 Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.

Information Security Risk Management Framework

The company has set up a dedicated information security supervisor and dedicated information security personnel, who are responsible for promoting, coordinating, supervising and reviewing information security management matters.

The Information Division is responsible for the research, establishment and evaluation of information security policies, plans and technical specifications.

The business unit is responsible for the discussion, use management and protection of the security requirements of the information system and data.

The maintenance of secrets and the management of auditing and use of Information Communication shall be handled by the Internal Audit Office together with the relevant units.

Monthly information department executive meeting reports information operations and execution

results to the CEO.

The audit office conducts internal audits every year, and if deficiencies are found, the inspected units will be required to improve measures and track the improvement results.

Every year, accountants will conduct information operation inspections, and if any deficiencies are found, they will ask for improvement measures and track the improvement results.

Information Security Policy

In order to enhance the safety and stable operation of information communication operations, the company provides reliable information communication services to ensure the confidentiality, integrity and availability of information assets, so as to comply with relevant laws, regulations, requirements of competent authorities and customer contract specifications, so that prevent from internal and external deliberate or accidental threats, and to smoothly promote the company's various businesses, the company's information security policy is specially formulated as the company's highest guideline for information security management. There are mainly the following strategies:

1. Establish security-related procedures for information and communication operations to ensure the confidentiality, integrity and availability of information assets and the continuous operation of the company's business. And comply with relevant laws and regulations and operational requirements.
2. Establish the company's information security organization and define the division of labor and responsibility, so as to facilitate the implementation of information security operations.
3. Establish a reporting and response mechanism for information security incidents to ensure proper response, control and handling of information security incidents.
4. Regularly publicize information security policies and related regulations, and implement information security education and training for employees.
5. Regularly perform information security audit operations to ensure the implementation of information security management.

Specific management plan for information security

1. "Information Communication Security Policy" and "Information Communication Security Operation Procedures" comply with the "Guidelines for Information Security Management and Control of Listed OTC Companies".
2. Clearly define the roles, responsibilities and division of labor of the information security organization. The Director of Information Security is the responsible person in charge of information security and assigns dedicated personnel in charge of information security.
3. Join the information security information sharing organization. Establish internal and external reporting windows and contact information for information security incidents and SOPs for emergency response.
4. Conduct information security publicity to employees every month to enhance employees' awareness of information security, a total of 12 times in 2023 years. The group's internal information management and security meetings are held every week, with a total of 48 meetings in 2023 years.
5. The audit office and accountants will conduct information operation inspections every year and take improvement measures.

Invested Resources for management plan of information security

1. Human resources:

The Director of Information is the person in charge of information security and has assigned appropriate personnel to serve as the person in charge of information security. Colleagues in the information department manage the information system and are responsible for information security management. There are 16 people related to the company's information security management and maintenance.

2. System resources:

A multi-level network security defense in depth has been established, including networks, gateways, servers, systems, application software, terminals, peripheral equipment, etc. The relevant resources invested are as follows:

High-availability infrastructure: All important information and communication infrastructures are designed and constructed without a single point of system failure.

New-generation Intrusion Prevention System (IPS): Combined with cloud data to update defense strategies, block network attacks and avoid becoming a springboard.

New-generation firewall: Establish physical or logical partitions and security policies according to the characteristics of the work, and the R&D center independently controls them.

Data transmission control and records: Data transmitted from the company or downloaded to peripheral devices are controlled and recorded.

Regular vulnerability scanning: entrust a third-party information security company to conduct external vulnerability detection and repair and improve weaknesses or respond to them.

Regular updates and repairs: System updates, program and security vulnerability repairs to prevent viruses, malware and hackers from exploiting.

Complete system backup: The company's internal systems, application services and data are fully protected and backed up.

Regular post-disaster recovery drills: Regularly schedule post-disaster recovery drills and review improvement deficiencies and recovery time.

System authority control: authority application and change are controlled and recorded, and the password is updated every six months. Permissions are reviewed every six months.

Network communication: Communications between companies within the group use dedicated lines or public networks with VPN encryption.

Mobile device security: Remote connection company services such as personal business trips or home offices require two-factor authentication and encrypted channels.

Endpoint device anti-virus and anti-hacking: centralized management of terminal devices, virus code update, and behavior monitoring.

Email Security: Spam and malware filtering.

Assets and system management: client software and hardware asset transaction management, illegal software audit.

6.6.2 List the losses, possible impacts and countermeasures of major information security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the facts that cannot be reasonably estimated shall be stated: None

5.7 Important Contracts

Contract	Counter Party	Term	Content	Restriction
Lease of Land	Hsinchu Science Park Administration	1995/8/01-2034/12/31	Lease of Land	Self-use
Lease of office	Hsinchu Science Park Administration	2019/01/01~2023.12.31	Lease of office	-
Licensing	ARM Limited	2007.12.27 ~	ARM7 TDMI-Score	Only license Generalplus
Licensing	ARM Limited	2010.06.01 ~	CORETEX-A8 Score	Only license Generalplus
Licensing	ARM Limited	2008.03.09 ~	ARM926EJ-Score	Only license Generalplus
Licensing	ARM Limited	2016.03.09~	ARM CORTEX -M0	Only license Generalplus

6 Financial Statements

6.1 Condensed Financial Statement and Auditors' Opinions by adopting IFRSs

6.1.1 Condensed Balance Sheet by adopting IFRSs-Consolidated

Unit: NT\$K

Year		Recent 5 Years (Note 1)				
		2019	2020	2021	2022	2023
Current Assets		5,940,147	6,777,941	9,649,769	8,530,254	7,495,714
Fixed Assets		1,968,803	1,971,252	1,936,640	1,930,269	1,811,640
Intangible Assets		176,233	328,591	326,919	248,585	199,006
Other Assets		3,404,584	3,542,805	4,464,071	4,311,639	4,449,671
Total Assets		11,489,767	12,620,589	16,377,399	15,020,747	13,956,031
Current Liabilities	Before Distribution	1,342,416	1,824,672	2,846,038	1,739,712	1,714,734
	After Distribution	1,520,014	2,135,765	4,030,028	2,094,909	(Note 2)
Non-Current Liabilities		574,660	776,916	952,265	1,546,107	1,442,016
Total Liabilities	Before Distribution	1,917,076	2,601,588	3,798,303	3,285,819	3,156,750
	After Distribution	2,094,674	2,912,681	4,982,293	3,641,016	(Note 2)
Equity Attributed to Shareholder of the parent		8,178,533	8,413,763	10,118,337	9,262,088	8,485,219
Capital Stock		5,919,949	5,919,949	5,919,949	5,919,949	5,919,949
Capital Surplus	Before Distribution	594,432	500,820	1,223,544	1,197,373	1,160,931
	After Distribution	416,834	500,820	1,185,656	1,151,789	(Note 2)
Retain Earnings	Before Distribution	1,988,579	2,317,473	3,255,931	2,388,850	1,591,899
	After Distribution	1,988,579	2,006,380	2,109,829	2,079,237	(Note 2)
Equity directly related to non-current assets held for sale		-	-	21,517	-	-
Other Equity Interest		(261,026)	(261,078)	(239,203)	(180,683)	(124,159)
Treasury stock		(63,401)	(63,401)	(63,401)	(63,401)	(63,401)
Non-controlling Interest		1,394,158	1,605,238	2,460,759	2,472,840	2,314,062
Total Equity	Before Distribution	9,572,691	10,019,001	12,579,096	11,734,928	10,799,281
	After Distribution	9,395,093	9,707,908	11,395,106	11,379,731	(Note 2)

Note 1: Figures are audited by adopting IFRSs. As of the printing date of the annual report, the financial statements for the year 2024 have not been certified or reviewed by an accountant.

Note 2: The proposal to offset the loss in 2023 is still pending approval at the shareholders' meeting.

6.1.2 Balance Sheet by adopting IFRSs- Individual

Unit: NT\$K

Year		Recent 5 Years (Note 1)				
		2019	2020	2021	2022	2023
Current Assets		1,292,316	1,555,277	1,781,942	1,601,160	1,327,139
Fixed Assets		688,706	700,554	726,737	744,972	680,224
Intangible Assets		86,258	243,470	244,238	187,370	133,241
Other Assets		6,663,491	6,826,298	8,926,205	8,465,279	8,168,138
Total Assets		8,730,771	9,325,599	11,679,122	10,998,781	10,308,742
Current Liabilities	Before Distribution	312,929	471,763	946,345	519,087	699,282
	After Distribution	490,527	782,856	2,130,335	874,284	(Note 2)
Non-Current Liabilities		239,309	440,073	614,440	1,217,606	1,124,241
Total Liabilities	Before Distribution	552,238	911,836	1,560,785	1,736,693	1,823,523
	After Distribution	729,836	1,222,929	2,744,775	2,091,890	(Note 2)
Equity Attributed to Shareholder of the parent						
Capital Stock		5,919,949	5,919,949	5,919,949	5,919,949	5,919,949
Capital Surplus	Before Distribution	594,432	500,820	1,223,544	1,197,373	1,160,931
	After Distribution	416,834	500,820	1,185,656	1,151,789	(Note 2)
Retain Earnings	Before Distribution	1,988,579	2,317,473	3,255,931	2,388,850	1,591,899
	After Distribution	1,988,579	2,006,380	2,109,829	2,079,237	(Note 2)
Equity directly related to non-current assets held for sale		-	-	21,517	-	-
Other Equity Interest		(261,026)	(261,078)	(239,203)	(180,683)	(124,159)
Treasury stock		(63,401)	(63,401)	(63,401)	(63,401)	(63,401)
Non-controlling Interest		-	-	-	-	-
Total Equity	Before Distribution	8,178,533	8,413,763	10,118,337	9,262,088	8,485,219
	After Distribution	8,000,935	8,102,670	8,934,347	8,906,891	(Note 2)

Note 1: Figures are audited by adopting IFRSs. As of the printing date of the annual report, the financial statements for the year 2024 have not been certified or reviewed by an accountant.

Note 2: The proposal to offset the loss in 2023 is still pending approval at the shareholders' meeting.

6.1.3 Condensed Income Statement adopting IFRSs -Consolidated

Unit: NT\$K

Year Item	Recent 5 Years (Note 1)				
	2019	2020	2021	2022	2023
Net Sales	5,486,660	6,414,140	7,960,831	6,705,708	5,535,421
Gross Profit (Loss)	2,348,905	2,925,096	4,161,606	3,300,767	2,524,245
Income from Operation (Loss)	131,741	516,167	923,536	287,890	(247,354)
Non-operating Income (Expense)	112,479	268,571	1,134,791	594,460	161,184
Income (Loss) Before Tax	244,220	784,738	2,058,327	882,350	(86,170)
Income (Loss) From Operations of Continued Segments (Loss)	174,752	618,827	1,756,242	670,457	(221,273)
Income (Loss) From Operations of Discontinued Segments	-	-	-	-	-
Consolidated Net Income (Loss)	174,752	618,827	1,756,242	670,457	(221,273)
Other comprehensive income (Loss) for the period, net of income tax	(102,073)	5,718	85,313	113,394	87,665
Total Comprehensive Income (Loss) for the Period	72,679	624,545	1,841,555	783,851	(133,608)
Net Profit (Loss) Attributable to:					
Owner of the Company	15,309	323,403	1,182,785	215,899	(493,147)
Net Profit (Loss) Attributable to:					
Non-controlling interests	159,443	295,424	573,457	454,558	271,874
Total Comprehensive Income (Loss) Attributable to:					
Owner of the Company	(77,049)	326,913	1,270,404	325,524	(404,437)
Total Comprehensive Income (Loss) Attributable to:					
Non-controlling interests	149,728	297,632	571,151	458,327	270,829
Earnings per share (Loss)	0.03	0.55	2.01	0.37	(0.84)

Note 1: Figures are audited by adopting IFRSs. As of the printing date of the annual report, the financial statements for the year 2024 have not been certified or reviewed by an accountant.

6.1.4 Condensed Income Statement adopting IFRSs -Individual

Unit: NT\$K

Year \ Item	Recent 5 Years (Note 1)				
	2019	2020	2021	2022	2023
Net Sales	1,235,269	1,168,660	1,520,142	1,374,542	1,132,485
Gross Profit(Loss)	499,903	482,591	652,934	456,270	306,107
Income from Operation(Loss)	(269,444)	(352,417)	(613,110)	(887,146)	(1,027,668)
Non-operating Income (Expense)	289,540	676,322	1,796,328	1,103,239	534,529
Income (Loss)Before Tax	20,096	323,905	1,183,218	216,093	(493,139)
Income(Loss) From Operations of Continued Segments(Loss)	15,309	323,403	1,182,785	215,899	(493,147)
Income(Loss) From Operations of Discontinued Segments	-	-	-	-	-
Net Income (Loss)	15,309	323,403	1,182,785	215,899	(493,147)
Other comprehensive income (Loss) for the period, net of income tax	(92,358)	3,510	87,619	109,625	88,710
Total Comprehensive Income(Loss) for the Period	(77,049)	326,913	1,270,404	325,524	(404,437)
Net Profit(Loss) Attributable to: Owner of the Company	15,309	323,403	1,182,785	215,899	(493,147)
Net Profit (Loss)Attributable to: Non-controlling interests	-	-	-	-	-
Total Comprehensive Income (Loss)Attributable to: Owner of the Company	(77,049)	326,913	1,270,404	325,524	(404,437)
Total Comprehensive Income (Loss)Attributable to: Non-controlling interests	-	-	-	-	-
Earnings per share (Loss)	0.03	0.55	2.01	0.37	(0.84)

Note 1: Figures are audited by adopting IFRSs. As of the printing date of the annual report, the financial statements for the year 2024 have not been certified or reviewed by an accountant.

6.1.5 Auditors' Opinions over the past 5 years

Year	CPA	Audit Opinion
2019	Zheng-Zhi Lin, Yu-Feng Huang	An unqualified opinion
2020	Zheng-Zhi Lin, Mei-Zhen Cai	An unqualified opinion
2021	Zheng-Zhi Lin, Mei-Zhen Cai	An unqualified opinion
2022	Tung-Hui Yeh, Ya-Yun Chang	An unqualified opinion
2023	Tung-Hui Yeh, Ya-Yun Chang	An unqualified opinion

6.2 Financial Analysis for recent 5 years

6.2.1 Financial Analysis (consolidated by IFRSs)

Unit: NT\$K

Analysis Item		Recent 5 years (Note 1)				
		2019	2020	2021	2022	2023
Capital Structure	Debts ratio (%)	16.68	20.61	23.19	21.87	22.61
	Long-term fund to Property, plant and equipment (%)	486.21	518.65	669.36	659.74	647.42
Liquidity	Current ratio (%)	442.49	371.46	339.05	490.32	437.13
	Quick ratio (%)	368.28	304.99	280.00	352.50	351.72
	Times interest earned (times)	1,082.81	5,083.72	14,635.18	5,248.20	Note 5
Operating Performance	Average collection turnover (times)	6.17	6.29	6.39	6.17	6.53
	Average collection days	59	58	57	59	56
	Inventory turnover (times)	3.97	4.30	3.26	1.83	1.66
	Accounts receivables turnover (times)	7.49	8.69	5.52	5.06	8.00
	Average inventory turnover days	92	85	112	199	220
	Fixed assets turnover (times)	2.74	3.25	4.07	3.46	2.95
	Property, plant and equipment turnover (times)	0.47	0.53	0.54	0.42	0.38
Profitability	Return on total assets (%)	1.66	5.23	12.19	4.35	(1.30)
	Return on stockholders' equity (%)	1.79	6.31	15.54	5.51	(1.96)
	Profit before tax to paid-in capital (%) (Note 5)	4.12	13.25	34.76	14.90	(1.45)
	Profit after tax to net sales (%)	3.17	9.64	22.06	9.99	(3.99)
	Earnings per share (NT\$)	0.03	0.55	2.01	0.37	(0.84)
Cash Flow	Cash flow ratio (%)	48.54	43.41	65.89	Note 4	64.12
	Cash flow adequacy ratio (%)	81.59	79.28	84.13	49.56	59.79
	Cash flow reinvestment ratio (%)	2.44	3.85	8.46	Note 2	2.01
Leverage	Operating leverage	15.98	5.24	3.83	9.70	Note 3
	Financial leverage	1.23	1.03	1.01	1.06	0.85

1. The increase in payables turnover rate (times) was mainly due to the decrease in the average balance of payables this year compared with the previous year.
2. The decrease in return on assets, return on equity, net profit margin and earnings per share was mainly due to the increase in after-tax net loss this year.
3. The decrease in the ratio of net income before tax to paid-in capital was mainly due to the increase in net loss before tax this year.
4. The increase in cash flow ratio is mainly due to the increase in net cash inflow from operating activities this year.
5. The increase in cash flow adequacy ratio is mainly due to the increase in net cash flow from operating activities.

Note 1: The above annual information has been verified and certified by accountants (using International Financial Reporting Standards).

Note 2: The net cash flow from operating activities is less than the amount of cash dividends paid, so it is not listed.

Note 3: It is a net operating loss, so it is not listed.

Note 4: Net cash flow from operating activities is negative, so it is not listed.

Note 5: Net income before income tax and interest expenses is net loss, so it is not listed.

6.2.2 Financial Analysis (Individual) by IFRSs

Unit: NT\$K

Analysis Item		Recent 5 years (Note 1)				
		2019	2020	2021	2022	2023
Capital Structure	Debts ratio (%)	6.32	9.77	13.36	15.78	17.68
	Long-term fund to Property, plant and equipment (%)	1,187.52	1,230.27	1,445.13	1,377.51	1,384.09
Liquidity	Current ratio (%)	412.97	329.67	188.29	308.45	189.78
	Quick ratio (%)	315.12	246.63	119.80	102.23	97.98
	Times interest earned (times)	396.35	5,199.26	12,771.01	1,646.28	Note 5
Operating Performance	Average collection turnover (times)	7.88	7.44	6.89	6.06	6.76
	Average collection days	46	49	53	60	54
	Inventory turnover (times)	2.77	2.38	2.07	1.21	1.04
	Payment turnover (times)	8.61	8.18	4.33	3.93	7.00
	Average inventory turnover days	132	153	176	302	351
	Fixed assets turnover (times)	1.79	1.68	2.13	1.86	1.58
	Property, plant and equipment turnover (times)	0.13	0.12	0.14	0.12	0.10
Profitability	Return on total assets (%)	0.23	3.63	11.33	2.00	(4.40)
	Return on stockholders' equity (%)	0.18	3.89	12.76	2.22	(5.55)
	Profit before tax to paid-in capital (%) (Note 4)	0.33	5.47	19.98	3.65	(8.33)
	Profit after tax to net sales (%)	1.23	27.67	77.80	15.70	(43.54)
	Earnings per share (NT\$)	0.03	0.55	2.01	0.37	(0.84)
Cash Flow	Cash flow ratio (%) (Note2)	36.66	20.98	29.01	Note 4	25.16
	Cash flow adequacy ratio (%)	88.14	64.21	42.06	13.22	12.01
	Cash flow reinvestment ratio (%)	Note 4	Note 4	Note 4	Note 4	Note 4
Leverage	Operating leverage	Note 2	Note 2	Note 2	Note 2	Note 2
	Financial leverage	Note 2	Note 2	Note 2	Note 2	Note 2

Please explain the reasons for changes in various financial ratios in the last two years.

(1) The current ratio and quick ratio decreased, mainly due to the increase in long-term borrowings due within one year.

(2) The increase in accounts payable turnover rate was mainly due to the decrease in accounts payable.

(3) The decrease in return on assets, return on equity, net profit margin and earnings per share was mainly due to the decrease in net profit after tax due to the increase in operating net loss and the decrease in non-operating income this year.

(4) The decrease in the ratio of net profit before tax to paid-in capital was mainly due to the increase in net operating loss and the decrease in non-operating income this year, resulting in a decrease in net profit before tax.

1. Capital Structure Analysis

(1) Debts ratio = Total Liabilities/Total Assets

(2) Long term fund to Property, plant and equipment = (Total Equity + Non-Current Liabilities)/ Property, plant and equipment

2. Liquidity Analysis

(1) Current Ratio = Current Assets/Current Liabilities

(2) Quick Ratio = (Current Assets – Inventories – Prepaid Expenses)/Current Liabilities

(3) Times Interest Earned = Earnings before Interest and Taxes/Interest Expenses

3. Operating Performance Analysis

(1) Average Collection Turnover	= Net Sales/Average Trade Receivables
(2) Average Collection Days	= 365/Receivables Turnover Rate
(3) Average Inventory Turnover	= Cost of Sales/Average Inventory
(4) Average Payment Turnover	= Cost of Sales/Average Trade Payables
(5) Average Inventory Turnover Days	= 365/Average Inventory Turnover
(6) Property, plant and equipment Turnover	= Net Sales/ Average Property, plant and equipment
(7) Total Assets Turnover	= Net Sales/Average Total Assets
4. Profitability Analysis	
(1) Return on Total Assets	= {Net Income + Interest Expense × (1 – Effective tax rate)}/Average Total Assets
(2) Return Ratio on Stockholders' Equity	= Net Income/Average Total Equity
(3) Profit after Tax to Net Sales	= Net Income/Net Sales
(4) Earnings Per Shares	= (Net Profit Attributable to Owner of the Company – Preferred Stock Dividend)/ Weighted Average Number of Shares Outstanding
5. Cash Flow	
(1) Cash Flow Rate	= Net Cash Provided by Operating Activities/Current Liabilities
(2) Cash Flow Adequacy Ratio	= Five-Year Cash from Sum of Operations /(Five-Year Capital Expenditure + Inventory Increase + Cash Dividend)
(3) Cash flow reinvestment ratio	= (Net Cash Provided by Operating Activities – Cash Dividend)/(Property, plant and equipment + Long-term Investment + Other Non-current Assets + Working Capital) (Note3)
6. Leverage	
(1) Operating Leverage	= (Net Sales – Operating Expenses & Cost)/Operating Income (Note4)
(2) Financial Leverage	= Operating Income/(Operating Income – Interest Expenses)

Note 1: Figures have been audited by adopting IFRSs.

Note 2: Net operating loss, it is not listed

Note 3: For those stock without par value or par value not equal to NT\$10, the ratio of operating income to paid-in capital (%) is calculated by ratio to attributable to the parent company.

Note 4: The net cash flow from operating activities is less than the number of cash dividends issued, so it is not listed.

Note 5: Profit and loss before income tax and interest expenses are net losses, so they are not listed.

Note 6: Due to the simple merger in 2023, the organizational restructuring should be retrospectively restated, so the comparative financial statement information after the restatement in 2022 is used.

6.3 Audit Committee's Report

Sunplus' Board has prepared and submitted the 2023 business report, Financial statements and proposal for deficit compensation, etc. The CPAs of Deloitte & Touche were retained to audit those financial statements and have submitted the audit report. The above-mentioned business report, Financial statements and proposal for deficit compensation have been reviewed by this audit committee. According to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Law, the Committee hereby submits this report.

Please check

Sincerely

To Sunplus Technology 2024 Annual Shareholders' Meeting

Audit Committee Convenor: Tse-Jen Huang

March 13, 2024

6.4 Sunplus Technology Company Limited and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The Company required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Sunplus Technology Company Limited

By

CHOU-CHYE HUANG
Chairman

March 13, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

Opinion

We have audited the accompanying consolidated financial statements of Sunplus Technology Company Limited and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (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 Sunplus Technology Company Limited and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter identified in Sunplus Technology Company Limited and its subsidiaries' consolidated financial statements for the year ended December 31, 2023 is as follows:

Occurrence of Revenue from Specific Customers

Integrated circuit chip sales accounted for 93% of Sunplus Technology Company Limited and its subsidiaries' total revenue. Among them revenue declined in 2023, some of the customers whose revenue has grown significantly and significant amount carry a higher risk related to the occurrence of sales revenue. Therefore, we considered the occurrence of revenue as a key audit matter. For detailed disclosure of revenue, refer to Notes 4 and 23 to the accompanying consolidated financial statements.

Our audit procedures performed in respect of the above key audit matter included the following:

1. We obtained an understanding of the related internal control and operating procedures in Sunplus Technology Company Limited and its subsidiaries' sales transaction cycle, and we evaluated and confirmed the operating effectiveness of the related internal control and operating procedures.
2. We selected samples from the sales details, and we examined customers' original orders, sales electronic orders, delivery orders, logistics receipt documents or export declaration, and sales invoices for any abnormalities and confirmed that sales revenue did occur .

Other Matter

We have also audited the accompanying financial statements of Sunplus Technology Company Limited as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, 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, 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 Sunplus Technology Company Limited and its subsidiaries' 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 Sunplus Technology Company Limited and its subsidiaries 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 Sunplus Technology Company Limited and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sunplus Technology Company Limited and its subsidiaries' 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 Sunplus Technology Company Limited and its subsidiaries' 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 Sunplus Technology Company Limited and its subsidiaries 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 Sunplus Technology Company Limited and its subsidiaries 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, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tung-Hui Yeh and Ya-Yun Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2024

Notice to Readers

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,091,218	29	\$ 4,427,919	29
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,062,950	8	678,017	5
Notes receivable and trade receivables, net (Notes 4, 5, 9, 23 and 33)	805,983	6	887,148	6
Other receivables (Notes 4, 9 and 33)	70,972	1	139,427	1
Inventories (Notes 4 and 10)	1,366,297	10	2,246,656	15
Other financial assets - current (Note 17)	29,077	-	48,018	-
Other current assets (Notes 17 and 33)	69,217	-	103,069	1
Total current assets	<u>7,495,714</u>	<u>54</u>	<u>8,530,254</u>	<u>57</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	1,693,706	12	1,524,969	10
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	379,853	3	295,555	2
Investments accounted for using the equity method (Notes 4 and 12)	898,833	7	932,789	6
Property, plant and equipment (Notes 4, 13 and 34)	1,811,640	13	1,930,269	13
Right-of-use assets (Notes 4 and 14)	189,690	1	202,111	1
Investment properties (Notes 4 and 15)	805,213	6	890,156	6
Intangible assets (Notes 4 and 16)	199,006	1	248,585	2
Deferred tax assets (Notes 4 and 25)	57,897	-	59,008	-
Net defined benefit assets - non-current (Notes 4 and 21)	40,513	-	31,993	-
Other financial assets - non-current (Notes 17 and 34)	242,831	2	230,100	2
Other non-current assets (Note 17)	141,135	1	144,958	1
Total non-current assets	<u>6,460,317</u>	<u>46</u>	<u>6,490,493</u>	<u>43</u>
TOTAL	<u>\$ 13,956,031</u>	<u>100</u>	<u>\$ 15,020,747</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 27,635	-	\$ 42,000	-
Contract liabilities - current (Note 24)	29,544	-	53,462	1
Accounts payable (Note 19)	331,737	2	420,335	3
Current tax liabilities (Notes 4 and 25)	154,794	1	145,222	1
Lease liabilities - current (Notes 4 and 14)	7,425	-	13,071	-
Deferred revenue - current (Notes 4, 20 and 28)	1,885	-	1,921	-
Current portion of long-term bank borrowings (Note 18)	270,295	2	-	-
Other current liabilities (Note 20)	891,419	7	1,063,701	7
Total current liabilities	<u>1,714,734</u>	<u>12</u>	<u>1,739,712</u>	<u>12</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 18)	929,705	7	1,000,000	7
Lease liabilities - non-current (Notes 4 and 14)	192,545	2	197,690	1
Deferred revenue - non-current (Notes 4, 20 and 28)	52,012	-	54,905	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	18,414	-	18,277	-
Guarantee deposits	248,452	2	268,638	2
Other liabilities (Note 20)	888	-	6,597	-
Total non-current liabilities	<u>1,442,016</u>	<u>11</u>	<u>1,546,107</u>	<u>10</u>
Total liabilities	<u>3,156,750</u>	<u>23</u>	<u>3,285,819</u>	<u>22</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 22 and 30)				
Share capital				
Ordinary shares	<u>5,919,949</u>	<u>43</u>	<u>5,919,949</u>	<u>39</u>
Capital surplus	<u>1,160,931</u>	<u>8</u>	<u>1,197,373</u>	<u>8</u>
Retained earnings				
Legal reserve	1,898,136	14	1,870,234	12
Special reserve	180,682	1	239,203	2
(Accumulated deficit) unappropriated earnings	(486,919)	(4)	279,413	2
Total retained earnings	<u>1,591,899</u>	<u>11</u>	<u>2,388,850</u>	<u>16</u>
Other equity	(124,159)	(1)	(180,683)	(1)
Treasury shares	(63,401)	-	(63,401)	-
Total equity attributable to owners of the Company	8,485,219	61	9,262,088	62
NON-CONTROLLING INTERESTS (Notes 4, 12, 22 and 30)	<u>2,314,062</u>	<u>16</u>	<u>2,472,840</u>	<u>16</u>
Total equity	<u>10,799,281</u>	<u>77</u>	<u>11,734,928</u>	<u>78</u>
TOTAL	<u>\$ 13,956,031</u>	<u>100</u>	<u>\$ 15,020,747</u>	<u>100</u>

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 23 and 33)	\$ 5,535,421	100	\$ 6,705,708	100
OPERATING COSTS (Notes 10 and 24)	<u>3,011,176</u>	<u>54</u>	<u>3,404,941</u>	<u>51</u>
GROSS PROFIT	<u>2,524,245</u>	<u>46</u>	<u>3,300,767</u>	<u>49</u>
OPERATING EXPENSES (Notes 24 and 33)				
Selling and marketing expenses	218,384	4	239,183	4
General and administrative expenses	512,457	9	616,032	9
Research and development expenses	<u>2,040,283</u>	<u>37</u>	<u>2,153,458</u>	<u>32</u>
Total operating expenses	<u>2,771,124</u>	<u>50</u>	<u>3,008,673</u>	<u>45</u>
OTHER OPERATING INCOME AND EXPENSES	<u>(475)</u>	<u>-</u>	<u>(4,204)</u>	<u>-</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(247,354)</u>	<u>(5)</u>	<u>287,890</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 12, 24, 28 and 33)				
Interest income	59,068	1	38,307	-
Other income	119,955	2	281,389	4
Other gains and losses	132,548	3	307,202	5
Finance costs	(41,142)	(1)	(17,139)	-
Share of profit or loss of associates	<u>(109,245)</u>	<u>(2)</u>	<u>(15,299)</u>	<u>-</u>
Total non-operating income and expenses	<u>161,184</u>	<u>3</u>	<u>594,460</u>	<u>9</u>
(LOSS) PROFIT BEFORE INCOME TAX	(86,170)	(2)	882,350	13
INCOME TAX EXPENSE (Notes 4 and 25)	<u>135,103</u>	<u>2</u>	<u>211,893</u>	<u>3</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(221,273)</u>	<u>(4)</u>	<u>670,457</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss (Notes 4 and 22):				
Remeasurement of defined benefit plans	4,215	-	26,374	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	98,531	2	(5,975)	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	17,355	-	(22,533)	-

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss (Notes 4 and 22):				
Exchange differences on translation of the financial statements of foreign operations	\$ (30,016)	-	\$ 114,760	2
Share of other comprehensive (loss) income of associates accounted for using the equity method	<u>(2,420)</u>	<u>-</u>	<u>768</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>87,665</u>	<u>2</u>	<u>113,394</u>	<u>2</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (133,608)</u>	<u>(2)</u>	<u>\$ 783,851</u>	<u>12</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ (493,147)	(9)	\$ 215,899	3
Non-controlling interests	<u>271,874</u>	<u>5</u>	<u>454,558</u>	<u>7</u>
	<u>\$ (221,273)</u>	<u>(4)</u>	<u>\$ 670,457</u>	<u>10</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ (404,437)	(7)	\$ 325,524	5
Non-controlling interests	<u>270,829</u>	<u>5</u>	<u>458,327</u>	<u>7</u>
	<u>\$ (133,608)</u>	<u>(2)</u>	<u>\$ 783,851</u>	<u>12</u>
(LOSS) EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ (0.84)</u>		<u>\$ 0.37</u>	
Diluted	<u>\$ (0.84)</u>		<u>\$ 0.37</u>	

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

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company											Non-controlling Interests	Total Equity
	Share Capital Issued and Outstanding		Capital Surplus	Retained Earnings			Equity Directly Associated with Non-current Assets Held for Sale	Other Equity		Treasury Shares	Total		
	Share (Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)		Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE AT JANUARY 1, 2022	591,995	\$ 5,919,949	\$ 1,223,544	\$ 1,745,279	\$ 261,078	\$ 1,249,574	\$ 21,517	\$ (259,512)	\$ 20,309	\$ (63,401)	\$ 10,118,337	\$ 2,460,759	\$ 12,579,096
Appropriation of 2021 earnings													
Legal reserve	-	-	-	124,955	-	(124,955)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(21,875)	21,875	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,146,102)	-	-	-	-	(1,146,102)	-	(1,146,102)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	27,879	-	-	-	(21,517)	-	-	-	6,362	-	6,362
Issuance of cash dividends from capital surplus	-	-	(37,888)	-	-	-	-	-	-	-	(37,888)	-	(37,888)
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	-	12,017	-	-	12,017	-	12,017
Difference between the consideration and carrying amount of subsidiaries during actual disposal or acquisition	-	-	(922)	-	-	-	-	-	-	-	(922)	-	(922)
Changes in percentage of ownership interest in subsidiaries	-	-	(22,360)	-	-	-	-	-	-	-	(22,360)	22,360	-
Net profit for the year ended December 31, 2022	-	-	-	-	-	215,899	-	-	-	-	215,899	454,558	670,457
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	26,534	-	111,018	(27,927)	-	109,625	3,769	113,394
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	242,433	-	111,018	(27,927)	-	325,524	458,327	783,851
Adjustment of capital surplus for the Company													
Cash dividends received by subsidiaries	-	-	7,120	-	-	-	-	-	-	-	7,120	-	7,120
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(468,606)	(468,606)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	36,588	-	-	(36,588)	-	-	-	-
BALANCE AT DECEMBER 31, 2022	591,995	5,919,949	1,197,373	1,870,234	239,203	279,413	-	(136,477)	(44,206)	(63,401)	9,262,088	2,472,840	11,734,928
Appropriation of 2022 earnings													
Legal reserve	-	-	-	27,902	-	(27,902)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(58,521)	58,521	-	-	-	-	-	-	-
Reversal of special reserve reversed	-	-	-	-	-	(309,613)	-	-	-	-	(309,613)	-	(309,613)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	21,249	-	-	-	-	-	-	-	21,249	-	21,249
Issuance of cash dividends from capital surplus	-	-	(45,584)	-	-	-	-	-	-	-	(45,584)	-	(45,584)
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	-	(26,377)	-	-	(26,377)	-	(26,377)
Changes in percentage of ownership interest in subsidiaries	-	-	(14,244)	-	-	-	-	-	-	-	(14,244)	14,244	-
Net profit for the year ended December 31, 2023	-	-	-	-	-	(493,147)	-	-	-	-	(493,147)	271,874	(221,273)
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	5,809	-	(27,316)	110,217	-	88,710	(1,045)	87,665
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(487,338)	-	(27,316)	110,217	-	(404,437)	270,829	(133,608)
Adjustment of capital surplus for the Company													
Cash dividends received by subsidiaries	-	-	2,137	-	-	-	-	-	-	-	2,137	-	2,137
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(443,851)	(443,851)
BALANCE AT DECEMBER 31, 2023	591,995	\$ 5,919,949	\$ 1,160,931	\$ 1,898,136	\$ 180,682	\$ (486,919)	\$ -	\$ (190,170)	\$ 66,011	\$ (63,401)	\$ 8,485,219	\$ 2,314,062	\$ 10,799,281

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before income tax	\$ (86,170)	\$ 882,350
Adjustments for:		
Depreciation expense	380,370	344,059
Amortization expense	118,821	139,283
Net (gain) loss on fair value change of financial assets at FVTPL	(98,133)	262,869
Finance costs	41,142	17,139
Interest income	(59,068)	(38,307)
Dividend income	(35,892)	(117,124)
Compensation costs of share-based payments	19,323	109,586
Share of loss of associates	109,245	15,299
Gain on disposal of property, plant and equipment	(183)	(16)
Loss on disposal of intangible assets	658	4,220
Gain on disposal of subsidiaries	(19,485)	(71,274)
Gain on disposal of associates	-	(449,000)
Impairment loss recognized on financial assets	6,009	6,826
Impairment loss recognized on non-financial assets	-	460
Unrealized gain on transactions with associates	(1,256)	(1,256)
Net (gain) loss on foreign currency exchange	22,982	4,039
Changes in operating assets and liabilities:		
Decrease in notes receivable and trade receivables	51,409	385,513
Decrease (increase) in other receivables	66,602	(41,613)
Decrease (increase) in inventories	880,359	(779,094)
Decrease in other current assets	28,718	3,623
Increase in net defined benefits assets - non-current	(8,520)	(27,440)
(Decrease) increase in contract liabilities	(23,893)	23,197
Decrease in accounts payables	(80,621)	(499,962)
Decrease in deferred revenue	(1,906)	(1,916)
Decrease in other current liabilities	(160,832)	(321,727)
Increase in net defined benefits liabilities - non-current	<u>4,352</u>	<u>24,939</u>
Cash generated from (used in) operations	1,154,031	(125,327)
Interest received	54,509	36,777
Dividends received	52,351	134,419
Interest paid	(36,908)	(19,915)
Income tax paid	<u>(124,420)</u>	<u>(341,684)</u>
Net cash generated from (used in) operating activities	<u>1,099,563</u>	<u>(315,730)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(15,290)	(127,510)
Proceeds from the sale of financial assets at fair value through other comprehensive income	27,378	44,259
Purchase of financial assets at fair value through profit or loss	(2,181,488)	(1,475,697)

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

	2023	2022
Proceeds from the sale of financial assets at fair value through profit or loss	\$ 1,727,001	\$ 2,414,358
Acquisition of associates	(54,043)	-
Proceeds from disposal of associates	-	535,987
Proceeds from disposal of subsidiaries	-	83,827
Payments for property, plant and equipment	(187,263)	(267,590)
Proceeds from the disposal of property, plant and equipment	366	352
Increase in refundable deposits	-	(3,228)
Decrease in refundable deposits	138	761
Payments for intangible assets	(86,586)	(62,958)
Decrease on other financial assets	<u>2,178</u>	<u>39,812</u>
Net cash (used in) generated from investing activities	<u>(767,609)</u>	<u>1,182,373</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(14,365)	(101,773)
Proceeds from long-term borrowings	200,000	1,000,000
Repayments of long-term borrowings	-	(430,000)
Proceeds of guarantee deposits received	36,993	32,925
Refund of guarantee deposits received	(60,975)	(42,046)
Repayment of principal portion of lease liabilities	(12,500)	(10,205)
Decrease in other liabilities	-	(10,039)
Cash dividends paid	(353,060)	(1,176,870)
Dividends paid to non-controlling interests	(459,643)	(557,998)
Decrease in non-controlling interests	<u>(3,533)</u>	<u>(19,384)</u>
Net cash used in financing activities	<u>(667,083)</u>	<u>(1,315,390)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(1,572)</u>	<u>41,098</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(336,701)	(407,649)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,427,919</u>	<u>4,835,568</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 4,091,218</u>	<u>\$ 4,427,919</u>

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

(Concluded)

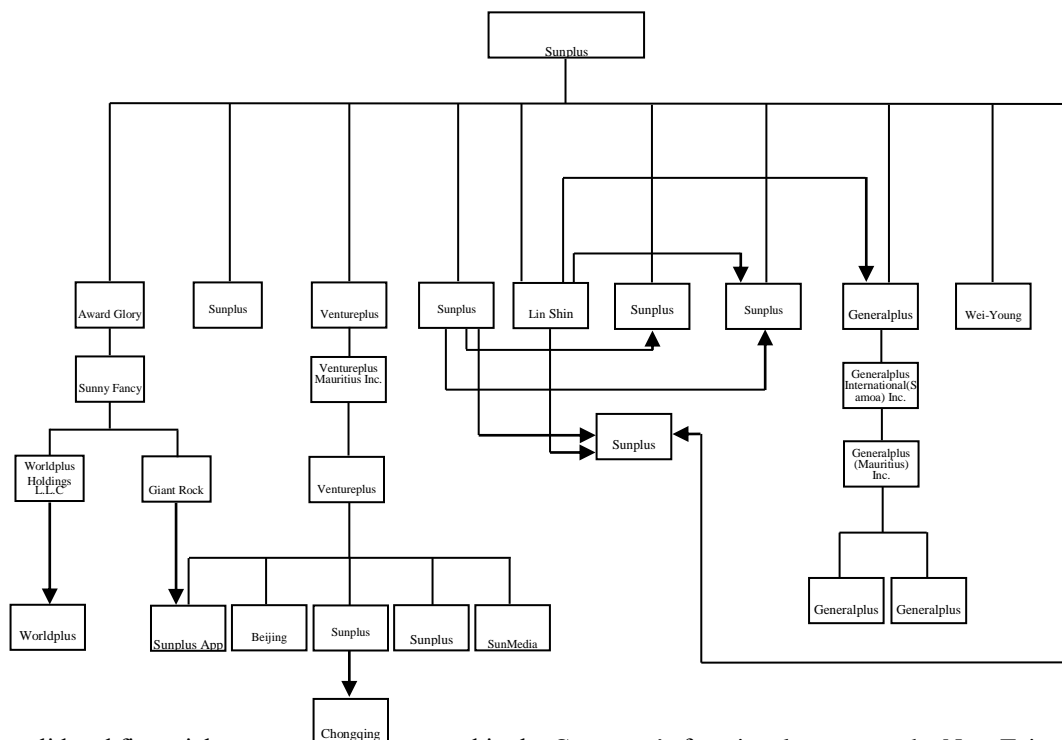
SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sunplus Technology Company Limited (the “Company”) was established in August 1990 and moved to Hsinchu Science Park in October 1993. It designs, produces, tests and sells various integrated circuits (ICs); it researches, develops, sells various software application and silicon intellectual property; it engages in the tradings and agency business of various integrated circuits. Sunplus’ shares have been listed on the Taiwan Stock Exchange since January 2000. Some of its shares have been issued in the form of global depository receipts (GDRs), which have been listed on the London Stock Exchange since March 2001. The procedures for terminating GDRs were completed on November 10, 2022 (refer to Note 23).

Following is a diagram of the relationship and ownership percentages between Sunplus and its subsidiaries (collectively, the “Company”) as of December 31, 2023:



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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on March 13, 2024.

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

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

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

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

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

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

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

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

- 1) Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”

The amendments clarify that the liability that arises from a sale and leaseback transaction - that satisfies the requirements in IFRS 15 to be accounted for as a sale - is a lease liability to which IFRS 16 applies. However, if the lease in a leaseback that includes variable lease payments that do not depend on an index or rate, the seller-lessee shall measure lease liabilities arising from a leaseback in such a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The seller-lessee subsequently recognizes in profit or loss the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability.

- 2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Company shall disclose information that enables users of financial

statements to understand the risk of the Company, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Company’s own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

3) Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, the suppliers are paid. The amendments stipulate that the Company shall disclose the relevant information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the Company’s liabilities and cash flows and on the Company’s exposure to liquidity risk.

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

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

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

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

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

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an

associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated.

2) Amendments to IAS 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Company shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of Compliance

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

b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

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

Current assets include:

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

Current liabilities include:

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

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

d. Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

See Note 11 and Tables 5 and 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

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

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

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

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. The inventories of Sunplus, Generalplus Technology, Sunplus Innovation Technology, Sunplus mMedia and Jumplux Technology are generally recorded at standard cost. On the balance sheet date, the cost is adjusted to approximate weighted-average cost method. Other subsidiaries' inventories are recorded at the weighted-average cost.

g. Investments in associates

An associate is an entity over which the Company has significant influence and that is not a subsidiary.

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

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

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is

included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

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

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

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

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

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

h. Property, plant and equipment

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

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

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

i. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation. (It includes right-of-use assets that meet the definition of investment properties.)

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

Depreciation is recognized using the straight-line method.

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

j. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

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

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

k. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

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

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

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

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

m. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

Financial assets is classified as at FVTPL when such a financial asset is mandatorily classified or it is designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income respectively; any

remeasurement gains or losses on such financial assets are recognized and interest income, in other gains or losses. Fair value is determined in the manner described in Note 32: Financial Instruments.

ii. Financial assets at amortized cost

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

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, other financial assets, notes receivable and trade receivables, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

n. Provisions

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

o. Revenue recognition

The Company identifies a contract with a customer, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Unearned receipts for merchandise sales would be recognized as contract liabilities before the Company fulfills its performance obligations.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from the sale of ICs. Sales of ICs are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Other

Other income mainly comes from software development and royalties.

p. Lease

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

1) The Company as lessor

All leases are classified as operating leases.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

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

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

any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note 4(i) for the accounting policies for investment properties.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Company requested the lessor for rent subsidy as a direct subsidy of the Covid-19 to change the lease payments. There is no substantive change to other terms and conditions. The Company elects to apply the practical expedient to all of the rent subsidy and, therefore, does not assess whether the rent subsidy are lease modifications. Instead, the Company recognizes the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments.

q. Borrowing costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

r. Government grants

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

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

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

s. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

t. Share-based payment arrangements

Restricted shares for employees granted to employees

The fair value at the grant date of the restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in non-controlling interests. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the board of directors approves the transaction.

When restricted shares for employees are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. If restricted shares for employees are granted for consideration and the considerations received should be returned if employees resign in the vesting period, the amounts expected to be returned are recognized as payables. Dividends paid to employees on restricted shares that do not need to be returned if employees resign in the vesting period are recognized as expenses when the dividends are declared with a corresponding adjustment in retained earnings and capital surplus - restricted shares for employees.

At the end of each reporting period, the Company revises its estimate of the number of restricted shares for employees that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to non-controlling interests.

u. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act, an additional tax of inappropriate earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Company considers the possible impact of government policies and regulations and inflation and interest rate fluctuations when making its critical accounting estimates on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates accounting. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

Estimated impairment of financial assets

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	\$ 4,352	\$ 4,789
Checking accounts and demand deposits	916,018	1,762,495
Cash equivalents		
Time deposits in banks	<u>3,170,848</u>	<u>2,660,635</u>
	<u>\$ 4,091,218</u>	<u>\$ 4,427,919</u>

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

	December 31	
	2023	2022
Bank balances	0.001%-5.25%	0.001%-4.200%

7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
<u>Financial assets at FVTPL - current</u>		
Financial assets classified as at FVTPL		
Non-derivative financial assets		
Domestic and foreign investments		
- Mutual funds	\$ 760,044	\$ 503,173
- Listed shares	178,765	58,795
- Unlisted shares	68,882	116,049
Hybrid financial assets		
Domestic and foreign investments		
- Unlisted convertible bonds	<u>55,259</u>	<u>-</u>
	<u>\$ 1,062,950</u>	<u>\$ 678,017</u>

(Continued)

	December 31	
	2023	2022
<u>Financial assets at FVTPL - non-current</u>		
Financial assets classified as at FVTPL		
Non-derivative financial assets		
Domestic and foreign investments		
- Limited Partnership	\$ 875,228	\$ 773,718
- Unlisted shares	661,056	717,861
- Listed shares	<u>157,422</u>	<u>33,390</u>
	<u>\$ 1,693,706</u>	<u>\$ 1,524,969</u>
		(Concluded)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
<u>Non-current</u>		
Domestic and foreign investments		
Unlisted shares	\$ 324,387	\$ 262,258
Listed shares	<u>55,466</u>	<u>33,297</u>
	<u>\$ 379,853</u>	<u>\$ 295,555</u>

9. TRADE RECEIVABLE AND OTHER RECEIVABLE

	December 31	
	2023	2022
<u>Trade receivable</u>		
At amortized cost		
Gross carrying amount	\$ 805,983	\$ 887,148
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 805,983</u>	<u>\$ 887,148</u>

Trade receivable

The average credit period on sales of goods was 30 to 60 days without interest. The Company's exposure to credit risk and external credit ratings are continuously monitored. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the industry outlooks. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

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

The Company's current credit risk grading framework is shown in the following table:

December 31, 2023

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 120 days or More	Total
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	\$ 805,983	\$ -	\$ -	\$ -	\$ -	\$ 805,983
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	<u>\$ 805,983</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 805,983</u>

December 31, 2022

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 1201 days or More	Total
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	\$ 887,148	\$ -	\$ -	\$ -	\$ -	\$ 887,148
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	<u>\$ 887,148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 887,148</u>

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1 and December 31	<u>\$ -</u>	<u>\$ -</u>

Other receivable

	December 31	
	2023	2022
Investment receivable	\$ 48,379	\$ 48,507
Interest receivables	13,025	8,466
Tax refund receivable	7,900	44,188
Others	<u>1,668</u>	<u>38,266</u>
	<u>\$ 70,972</u>	<u>\$ 139,427</u>

10. INVENTORIES

	December 31	
	2023	2022
Finished goods	\$ 480,616	\$ 573,810
Work in progress	547,491	887,525
Raw materials	<u>338,190</u>	<u>785,321</u>
	<u>\$ 1,366,297</u>	<u>\$ 2,246,656</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 were \$2,880,714 thousand and \$3,308,444 thousand, respectively.

The costs of inventories recognized as costs of goods sold for the years ended December 31, 2023 and 2022 were as follows:

	For the Year Ended December 31	
	2023	2022
Inventory write - downs	\$ (189,601)	\$ (249,122)
Loss of inventory scrapped	(21)	-
Income from scrap sales	<u>236</u>	<u>172</u>
	<u>\$ (187,039)</u>	<u>\$ (248,950)</u>

11. SUBSIDIARIES

a. The subsidiaries included in the consolidated financial statements

The information of the subsidiaries at the end of reporting period was as follows:

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership		Note
			2023	2022	
Sunplus	Sunplus Management Consulting Inc. ("Sunplus Management Consulting")	Management	100.00	100.00	-
	Ventureplus Group Inc. ("Ventureplus Group")	Investment	100.00	100.00	-
	Sunplus Technology (H.K.) Co., Ltd. ("Sunplus Technology (H.K.)")	International trade	-	100.00	The liquidation of Sunplus Technology (H.K.) was completed on December 1, 2023.
	Sunplus Venture Capital Co., Ltd. ("Sunplus Venture")	Investment	100.00	100.00	-
	Lin Shin Investment Co., Ltd. ("Lin Shin Investment")	Investment	100.00	100.00	-
	Sunplus mMobile Inc. ("Sunplus mMobile")	Design of ICs	-	100.00	The liquidation of Sunplus mMobile was completed on June 15, 2023. Interest income of \$22 thousand generated from the closing of bank accounts was reclassified to the gain on disposal of the subsidiaries.
	Sunext Technology Co., Ltd. ("Sunext Technology")	Design of ICs	-	100.00	The base date of the simplified merger of Sunext Technology and Sunplus was October 15, 2023, and Sunext Technology was dissolved on October 20, 2023.
	Sunplus Innovation Technology Inc. ("Sunplus Innovation Technology")	Design of ICs	50.08	50.49	-
	Generalplus Technology Inc. ("Generalplus Technology")	Design of ICs	34.30	34.30	Sunplus and its subsidiaries owned 47.99% of the equity in Generalplus Technology and the Company had controlling interest over Generalplus Technology; the investee is included in the consolidated financial statements.
	Wei-Young Investment Inc. ("Wei-Young Investment")	Investment	100.00	100.00	-

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
Sunplus	Russell Holdings Limited ("Russell")	Investment	-	100.00	The liquidation of Russell was completed on July 24, 2023, and was cancelled on October 31, 2023. the related cumulative translation adjustments of \$19,358 thousand was reclassified to the gain on disposal of the subsidiaries.
	Magic Sky Limited ("Magic Sky")	Investment	-	-	The disposed of Magic Sky was completed on June 22, 2022.
	Sunplus mMedia Inc. ("Sunplus mMedia")	Design of ICs	89.76	89.76	-
	Award Glory Ltd. ("Award Glory")	Investment	100.00	100.00	-
	Jumplux Technology Co., Ltd. ("Jumplux Technology")	Design of ICs	55.00	55.00	-
Ventureplus Group	Ventureplus Mauritius Inc. ("Ventureplus Mauritius")	Investment	100.00	100.00	-
Ventureplus Mauritius	Ventureplus Cayman Inc. ("Ventureplus Cayman")	Investment	100.00	100.00	-
Ventureplus Cayman	Sunplus App Technology Co., Ltd. ("Sunplus App")	Sale of electronic components and information management and education	35.90	35.90	Sunplus' subsidiaries held 100% of the equity in Sunplus App.
	Sunplus Prof-tek Technology (Shenzhen) Co., Ltd. ("Sunplus Prof-tek (Shenzhen)")	Software development, customer technical services, leasing business, property management and corporate management	100.00	100.00	-
	Sunplus Technology (Shanghai) Co., Ltd. ("Sunplus Shanghai")	Software development, customer technical services, leasing business and property management	100.00	100.00	The Investment Commission, MOEA approved the splitting of Sunplus Shanghai into two new companies on November 14, 2023, which both are 100%-owned subsidiaries of Ventureplus Cayman, a company in which Sunplus has reinvested.
	SunMedia Technology Co., Ltd. ("SunMedia")	Development of computer software, system integration services and building rental	100.00	100.00	-
	Beijing Sunplus-EHue Tech Co., Ltd. ("Beijing Sunplus-EHue")	Development of computer software, system integration services and building rental	100.00	100.00	-
Sunplus Shanghai	Jsilicon Technology Co., Ltd. ("Jsilicon Technology")	Software Development and IC Design	-	-	The liquidation of Jsilicon Technology was completed on August 30, 2022.
	Chongqing CQPlus1 Technology Co., Ltd. ("Chongqing CQPlus1")	Software Development and IC Design	-	67.50	Sunplus Shanghai transferred its holding of Chongqing CQPlus1 to Sunplus Prof-tek (Shenzhen) on November 10, 2023.
Sunplus Prof-tek (Shenzhen)	Chongqing CQPlus1	Software Development and IC Design	100.00	32.50	Sunplus' subsidiaries held 100% of the equity in Chongqing CQPlus1.
Sunplus Venture Capital	Jumplux Technology	Design of ICs	42.08	42.08	Sunplus and its subsidiaries held 97.08% of the equity in Jumplux Technology.
	Sunplus mMedia	Design of ICs	7.64	7.64	Sunplus and its subsidiaries held 100% of the equity in Sunplus mMedia.
	Sunplus Innovation Technology	Design of ICs	5.00	5.04	Sunplus and its subsidiaries held 56.92% of the equity in Sunplus Innovation Technology.
	GenkiTek Technology Co., Ltd. ("GenkiTek Technology")	Software development	-	-	The disposed of GenkiTek Technology was completed on June 20, 2022.
Lin Shin Investment	Generalplus Technology	Design of ICs	13.69	13.69	Sunplus and its subsidiaries held 47.99% stake in Generalplus Technology and the Company had controlling interest over Generalplus Technology; the investee is included in the consolidated financial statements.
	Sunplus mMedia	Design of ICs	2.60	2.60	Sunplus and its subsidiaries held 100% of the equity in Sunplus mMedia.
	Sunplus Innovation Technology	Design of ICs	1.84	1.84	Sunplus and its subsidiaries held 56.92% of the equity in Sunplus Innovation Technology.
Generalplus Technology	Generalplus International (Samoa) Inc. ("Generalplus Samoa")	Investment	100.00	100.00	-
Generalplus Samoa	Generalplus (Mauritius) Inc. ("Generalplus Mauritius")	Investment	100.00	100.00	-
Generalplus Mauritius	Generalplus Technology (Shenzhen) Co. ("Generalplus Shenzhen")	Design of ICs, after sales service and marketing research	100.00	100.00	-
	Generalplus HK Co., Ltd. ("Generalplus H.K.")	Marketing	100.00	100.00	-
Award Glory	Sunny Fancy Ltd. ("Sunny Fancy")	Investment	100.00	100.00	-
Sunny Fancy	Giant Kingdom Ltd. ("Giant Kingdom")	Investment	-	-	The cancellation of Giant Kingdom was completed on September 5, 2022.
	Giant Rock Inc. ("Giant Rock")	Investment	100.00	100.00	-
	Worldplus Holdings L.L.C. ("Worldplus")	Investment	100.00	100.00	-
	Giant Best Ltd. ("Giant Best")	Investment	-	-	The cancellation of Giant Best was completed on September 5, 2022.

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership		Note
			December 31		
			2023	2022	
Giank Rock	Sunplus App	Sale of electronic components and information management and education	64.10	61.54	Sunplus' subsidiaries held 100% of stake in Sunplus App.
Worldplus	Worldplus Technology (Shenzhen)Co., Ltd. ("Worldplus (Shenzhen)")	Software development, rental business and property management	100.00	100.00	-

(Concluded)

The financial statements as of and for the years ended December 31, 2023 and 2022 of the above subsidiaries except Sunplus Management Consulting, was audited by the auditors. The management of the Company believes that the financial statements of Sunplus Management Consulting. will not be subject to major adjustments if it is audited.

b. Subsidiary excluded from the consolidated financial statements

Company name	The Voting Ratio of Non-controlling Equity	
	December 31	
	2023	2022
Generalplus Technology	52.01%	52.01%
Sunplus Innovation Technology	43.08%	42.62%

Refer to attachment 5 for registered countries and company information:

Company Name	Profits Attributed to Non-controlling Interests		Non-controlling Interests	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Generalplus Technology	\$ 87,376	\$ 301,357	\$ 1,125,557	\$ 1,326,318
Sunplus Innovation Technology	183,014	156,181	1,193,093	1,152,553

The summarized financial information below represents amounts before intragroup eliminations.

	December 31	
	2023	2022
Current assets	\$ 4,829,471	\$ 5,296,688
Non-current assets	912,702	931,054
Current liabilities	912,222	1,050,883
Non-current liabilities	<u>190,676</u>	<u>198,565</u>
Equity	<u>\$ 4,639,275</u>	<u>\$ 4,978,294</u>
Equity attributable to:		
Owners of the Company	\$ 2,320,625	\$ 2,499,423
Non-controlling interests	<u>2,318,650</u>	<u>2,478,871</u>
	<u>\$ 4,639,275</u>	<u>\$ 4,978,294</u>

	For the Year Ended December 31	
	2023	2022
Operating revenue	<u>\$ 3,817,081</u>	<u>\$ 4,711,094</u>
Net income	\$ 595,774	\$ 952,695
Other comprehensive (loss) income	<u>(536)</u>	<u>7,278</u>
Total other comprehensive income	<u>\$ 595,238</u>	<u>\$ 959,973</u>
Equity attributable to:		
Owners of the Company	\$ 325,384	\$ 495,157
Non-controlling interests	<u>270,390</u>	<u>457,538</u>
	<u>\$ 595,774</u>	<u>\$ 952,695</u>
Total other comprehensive income attributable to:		
Owners of the Company	\$ 325,962	\$ 498,668
Non-controlling interests	<u>269,276</u>	<u>461,305</u>
	<u>\$ 595,238</u>	<u>\$ 959,973</u>
Cash flows		
Operating activities	\$ 1,037,832	\$ 535,759
Investing activities	(202,667)	469,164
Financing activities	(947,065)	(1,281,879)
Effect of exchange rate changes on the balance of cash held in foreign currencies	<u>(1,049)</u>	<u>16,526</u>
Net cash outflow	<u>\$ (112,949)</u>	<u>\$ (260,430)</u>
Dividend paid to non-controlling interests	<u>\$ (459,643)</u>	<u>\$ (557,998)</u>

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in associates	<u>\$ 898,833</u>	<u>\$ 932,789</u>

a. Investments in associates

	December 31	
	2023	2022
Listed companies		
iCatch Technology Inc.	\$ 378,086	\$ 386,385
Global View Co., Ltd.	324,338	318,969
AkiraNET Co., Ltd.	84,102	156,053
AutoSys Co., Ltd.	64,783	70,200
eNeural Technologies, Inc.	35,103	-

(Continued)

	December 31	
	2023	2022
DeepLux Technology, Inc.	\$ 3,217	\$ -
WiSilicon Innovation Co., Ltd.	8,440	-
GlintMed Innovation Co., Ltd.	<u>764</u>	<u>1,182</u>
	<u>\$ 898,833</u>	<u>\$ 932,789</u>

(Concluded)

Name of Associate	December 31	
	2023	2022
iCatch Technology	18%	18%
Global View	13%	13%
AkiraNET	17%	26%
AutoSys Co., Ltd.	16%	16%
eNeural Technologies, Inc.	35%	-
DeepLux Technology, Inc.	25%	-
WiSilicon Innovation	38%	-
GlintMed Innovation	25%	25%

Refer to Table 5 following these Notes to Consolidated Financial Statements for information on the associates' business types, main operating locations and registered countries.

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

Name of Associate	December 31	
	2023	2022
iCatch Technology	<u>\$ 1,238,147</u>	<u>\$ 681,236</u>
Global View	<u>\$ 246,884</u>	<u>\$ 241,535</u>

Investments in the above jointly controlled entities are accounted for using the equity method.

The summarized financial information of the Company's associates is set out below:

	December 31	
	2023	2022
Total assets	<u>\$ 4,355,866</u>	<u>\$ 4,469,929</u>
Total liabilities	<u>\$ 387,651</u>	<u>\$ 434,939</u>

	For the Year Ended December 31	
	2023	2022
Revenue	<u>\$ 1,301,612</u>	<u>\$ 1,249,539</u>
Loss for the year	<u>\$ (226,209)</u>	<u>\$ (76,486)</u>
Other comprehensive (loss) income for the year	<u>\$ (392,806)</u>	<u>\$ (149,442)</u>
Share of (loss) profits of associates accounted for using the equity	<u>\$ (109,245)</u>	<u>\$ (15,299)</u>

The financial statements as of and for the years ended December 31, 2023 and 2022 of the above associates expect GlintMed Innovation were audited by the auditors. The management of the Company believes that the financial statements of GlintMed Innovation will not be subject to major adjustments if it is audited.

13. PROPERTY, PLANT AND EQUIPMENT

a. Assets used by the Company

	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Other Equipment	Construction in Progress	Total
Cost										
Balance at January 1, 2023	\$ 2,332,524	\$ 192,905	\$ 35,676	\$ 779,167	\$ 4,635	\$ 339,027	\$ 1,042	\$ 25,553	\$ 24,322	\$ 3,734,851
Additions	-	12,502	-	137,472	-	30,935	-	991	11,052	192,952
Reductions	-	(1,757)	(4,194)	(37,095)	(851)	(26,998)	-	(565)	-	(71,460)
Reclassified	-	1,552	-	4,379	-	12,055	-	-	(17,986)	-
Effect of exchange rate changes	(20,359)	(1,667)	8,670	(10,609)	(57)	(2,363)	-	(776)	(42)	(27,205)
Balance at December 31, 2023	<u>\$ 2,312,165</u>	<u>\$ 203,535</u>	<u>\$ 40,152</u>	<u>\$ 873,314</u>	<u>\$ 3,727</u>	<u>\$ 352,656</u>	<u>\$ 1,042</u>	<u>\$ 25,203</u>	<u>\$ 17,346</u>	<u>\$ 3,829,140</u>
Accumulated depreciation										
Balance at January 1, 2023	\$ 693,541	\$ 170,875	\$ 17,715	\$ 640,737	\$ 4,030	\$ 252,977	\$ 965	\$ 23,742	\$ -	\$ 1,804,582
Depreciation expense	51,192	8,808	5,114	183,970	217	44,302	376	642	-	294,621
Reductions	-	(1,757)	(4,194)	(37,081)	(851)	(26,837)	-	(557)	-	(71,277)
Effect of exchange rate changes	(4,157)	(1,394)	1,789	(3,702)	(53)	(2,554)	(349)	(6)	-	(10,426)
Balance at December 31, 2023	<u>\$ 740,576</u>	<u>\$ 176,532</u>	<u>\$ 20,424</u>	<u>\$ 783,924</u>	<u>\$ 3,343</u>	<u>\$ 267,888</u>	<u>\$ 992</u>	<u>\$ 23,821</u>	<u>\$ -</u>	<u>\$ 2,017,500</u>
Carrying amount at December 31, 2023	<u>\$ 1,571,589</u>	<u>\$ 27,003</u>	<u>\$ 19,728</u>	<u>\$ 89,390</u>	<u>\$ 384</u>	<u>\$ 84,768</u>	<u>\$ 50</u>	<u>\$ 1,382</u>	<u>\$ 17,346</u>	<u>\$ 1,811,640</u>
Cost										
Balance at January 1, 2022	\$ 2,316,438	\$ 189,846	\$ 26,865	\$ 626,345	\$ 4,578	\$ 308,499	\$ 1,208	\$ 29,029	\$ 43,517	\$ 3,546,325
Additions	-	5,873	2,395	169,552	-	36,316	-	37	24,090	238,263
Reductions	-	(7,692)	-	(48,094)	-	(13,062)	(170)	(238)	-	(69,256)
Reclassified	-	-	5,845	31,547	-	5,130	-	-	(42,522)	-
Consolidated changes	-	-	-	(614)	-	(55)	-	-	-	(669)
Effect of exchange rate changes	16,086	4,878	571	431	57	2,199	4	(3,275)	(763)	20,188
Balance at December 31, 2022	<u>\$ 2,332,524</u>	<u>\$ 192,905</u>	<u>\$ 35,676</u>	<u>\$ 779,167</u>	<u>\$ 4,635</u>	<u>\$ 339,027</u>	<u>\$ 1,042</u>	<u>\$ 25,553</u>	<u>\$ 24,322</u>	<u>\$ 3,734,851</u>
Accumulated depreciation										
Balance at January 1, 2022	\$ 639,674	\$ 166,576	\$ 11,899	\$ 535,876	\$ 3,762	\$ 225,712	\$ 1,081	\$ 25,105	\$ -	\$ 1,609,685
Depreciation expense	51,345	9,257	6,071	151,018	217	38,381	401	660	-	257,350
Reductions	-	(7,692)	-	(47,935)	-	(12,885)	(170)	(238)	-	(68,920)
Consolidated changes	-	-	-	(171)	-	(28)	-	-	-	(199)
Effect of exchange rate changes	2,522	2,734	(255)	1,949	51	1,797	(347)	(1,785)	-	6,666
Balance at December 31, 2022	<u>\$ 693,541</u>	<u>\$ 170,875</u>	<u>\$ 17,715</u>	<u>\$ 640,737</u>	<u>\$ 4,030</u>	<u>\$ 252,977</u>	<u>\$ 965</u>	<u>\$ 23,742</u>	<u>\$ -</u>	<u>\$ 1,804,582</u>
Carrying amount at December 31, 2022	<u>\$ 1,638,983</u>	<u>\$ 22,030</u>	<u>\$ 17,961</u>	<u>\$ 138,430</u>	<u>\$ 605</u>	<u>\$ 86,050</u>	<u>\$ 77</u>	<u>\$ 1,811</u>	<u>\$ 24,322</u>	<u>\$ 1,930,269</u>

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

Buildings	10-56 years
Auxiliary equipment	3-11 years
Machinery and equipment	3-10 years
Testing equipment	1-6 years
Transportation equipment	4 years
Furniture and fixtures	1-5 years
Leasehold improvements	4-5 years
Other equipment	3-10 years

Refer to Note 34 for the carrying amounts of property, plant and equipment that have been pledged by the Company to secure borrowings.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
<u>Carrying amount</u>		
Land	\$ 185,378	\$ 192,049
Buildings	2,451	6,762
Transportation equipment	<u>1,861</u>	<u>3,300</u>
	<u>\$ 189,690</u>	<u>\$ 202,111</u>
	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	<u>\$ 1,598</u>	<u>\$ 3,926</u>
Depreciation charge for right-of-use assets		
Land	\$ 6,670	\$ 6,671
Buildings	7,425	7,666
Transportation equipment	<u>1,440</u>	<u>767</u>
	<u>\$ 15,535</u>	<u>\$ 15,104</u>

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2023 and 2022.

The other part of right-of-use assets-land in China is subleased by operating leases, and the relevant right-of-use assets are classified as investment properties. Please refer to Note 15.

b. Lease liabilities

	December 31	
	2023	2022
Carrying amount		
Current	<u>\$ 7,425</u>	<u>\$ 13,071</u>
Non-current	<u>\$ 192,545</u>	<u>\$ 197,690</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
Land	2.390%	2.390%
Buildings	1.575%-7.060%	1.575%-7.060%
Transportation equipment	1.175%-1.625%	1.175%-1.625%

c. Material lease-in activities and terms

The Company leases land and buildings for the use of plants, offices and dormitory, also leases transportation equipment for the use of business travel with lease terms of 2 to 20 years. Lease terms of land in the ROC is 20 years, the lease contract for land located in the ROC specifies that lease payments will be adjusted on the basis of changes in announced land value prices. Lease terms of land in China is 50 years. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

The Company did not enter into significant lease contracts in the year ended December 31, 2023 and 2022.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	<u>\$ 7,940</u>	<u>\$ 6,704</u>
Expenses relating to low-value asset leases	<u>\$ 394</u>	<u>\$ 425</u>
Total cash outflow for leases	<u>\$ 25,719</u>	<u>\$ 22,387</u>

The Company leases certain transportation equipment and other leases which qualify as short-term leases. The Company has elected to apply the recognition exemption and, therefore not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

	Completed Investment Properties	Right-of-use Assets	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 1,446,953	\$ 103,262	\$ 1,550,215
Effect of exchange rate differences	<u>(25,954)</u>	<u>(1,897)</u>	<u>(27,851)</u>
Balance at December 31, 2023	<u>\$ 1,420,999</u>	<u>\$ 101,365</u>	<u>\$ 1,522,364</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ 650,090	\$ 9,969	\$ 660,059
Depreciation expense	67,707	2,507	70,214
Effect of exchange rate differences	<u>(12,898)</u>	<u>(224)</u>	<u>(13,122)</u>
Balance at December 31, 2023	<u>\$ 704,899</u>	<u>\$ 12,252</u>	<u>\$ 717,151</u>
Carrying amount at December 31, 2023	<u>\$ 716,100</u>	<u>\$ 89,113</u>	<u>\$ 805,213</u>

(Continued)

	Completed Investment Properties	Right-of-use Assets	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 1,426,446	\$ 101,764	\$ 1,528,210
Effect of exchange rate differences	<u>20,507</u>	<u>1,498</u>	<u>22,005</u>
Balance at December 31, 2022	<u>\$ 1,446,953</u>	<u>\$ 103,262</u>	<u>\$ 1,550,215</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ 572,824	\$ 7,348	\$ 580,172
Depreciation expense	69,082	2,521	71,603
Effect of exchange rate differences	<u>8,184</u>	<u>100</u>	<u>8,284</u>
Balance at December 31, 2022	<u>\$ 650,090</u>	<u>\$ 9,969</u>	<u>\$ 660,059</u>
Carrying amount at December 31, 2022	<u>\$ 796,863</u>	<u>\$ 93,293</u>	<u>\$ 890,156</u> (Concluded)

The right-of-use assets in the investment properties are the use right of land signed by the Company and is subleased under operating lease. The lease terms of the investment properties are from 1 to 15 years, with extension option according to the original contract when exercising the renewal right. The lessee do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties is as follows:

	<u>December 31</u>	
	2023	2022
Year 1	\$ 223,558	\$ 171,189
Year 2	174,553	126,401
Year 3	<u>99,912</u>	<u>105,935</u>
	<u>\$ 498,023</u>	<u>\$ 403,525</u>

The above items of investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Completed investment properties	5-26 years
Right-of-use assets	35-39 years

The fair value of the investment properties of Worldplus (Shenzhen) assessed in 2023 and 2022 had been determined on the basis of valuations carried out on December 31, 2023 and 2022 by Suzhou Fengzheng Renhe Estate Land Assets Appraisal Co., Ltd. The valuation was arrived at by reference to the income approach. The significant unobservable inputs used include discount rates; the fair value as appraised is as follows:

	<u>December 31</u>	
	2023	2022
Fair value	\$ 42,839	\$ 43,674

The fair value of the investment properties of SunMedia assessed in 2023 and 2022 had been determined on the basis of valuations carried out on December 31, 2023 and 2022 by Sichuan Jinshuo Ruilin Assets Appraisal Office Co., Ltd. The valuation was arrived at by reference to the income approach. The significant unobservable inputs used include discount rates; the fair value as appraised is as follows:

	<u>December 31</u>	
	2023	2022
Fair value	\$ 1,164,484	\$ 1,208,169

The fair value of the investment properties of Sunplus Shanghai assessed in 2023 and 2022 had been determined on the basis of valuations carried out on December 31, 2023 and 2022 by Suzhou Feng-Zheng Renhe Real Estate Valuation Firm. The valuation was arrived at by reference to the income approach. The significant unobservable inputs used include discount rates; the fair value as appraised is as follows:

	<u>December 31</u>	
	2023	2022
Fair value	\$ 2,137,152	\$ 2,240,661

16. INTANGIBLE ASSETS

	Technology License Fees	Software	Patents	Goodwill	Total
<u>Cost</u>					
Balance at January 1, 2023	\$ 1,070,048	\$ 374,003	\$ 114,500	\$ 30,596	\$ 1,589,147
Additions	36,850	33,179	-	-	70,029
Reductions	(81,780)	(2,500)	-	-	(84,280)
Effect of exchange rate differences	<u>(561)</u>	<u>(569)</u>	<u>(5)</u>	<u>-</u>	<u>(1,135)</u>
Balance at December 31, 2023	<u>\$ 1,024,557</u>	<u>\$ 404,113</u>	<u>\$ 114,495</u>	<u>\$ 30,596</u>	<u>\$ 1,573,761</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2023	\$ 768,246	\$ 350,830	\$ 88,316	\$ -	\$ 1,207,392
Amortization expense	87,076	30,881	864	-	118,821
Reductions	(81,780)	(1,811)	-	-	(83,591)
Effect of exchange rate differences	<u>(549)</u>	<u>(483)</u>	<u>(5)</u>	<u>-</u>	<u>(1,037)</u>
Balance at December 31, 2023	<u>\$ 772,993</u>	<u>\$ 379,417</u>	<u>\$ 89,175</u>	<u>\$ -</u>	<u>\$ 1,241,585</u>
<u>Accumulated impairment</u>					
Balance at January 1, 2023	\$ 111,593	\$ -	\$ 21,577	\$ -	\$ 133,170
Impairment loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 111,593</u>	<u>\$ -</u>	<u>\$ 21,577</u>	<u>\$ -</u>	<u>\$ 133,170</u>
Carrying amounts at December 31, 2023	<u>\$ 139,971</u>	<u>\$ 24,696</u>	<u>\$ 3,743</u>	<u>\$ 30,596</u>	<u>\$ 199,006</u>

(Continued)

	Technology License Fees	Software	Patents	Goodwill	Total
<u>Cost</u>					
Balance at January 1, 2022	\$ 1,074,594	\$ 348,196	\$ 116,496	\$ 30,596	\$ 1,569,882
Additions	42,429	26,424	-	-	68,673
Reductions	(43,238)	(1,049)	-	-	(44,287)
Consolidated changes	(4,000)	(16)	(2,000)	-	(6,016)
Effect of exchange rate differences	<u>443</u>	<u>448</u>	<u>4</u>	<u>-</u>	<u>895</u>
Balance at December 31, 2022	<u>\$ 1,070,048</u>	<u>\$ 374,003</u>	<u>\$ 114,500</u>	<u>\$ 30,596</u>	<u>\$ 1,589,147</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2022	\$ 698,474	\$ 323,912	\$ 87,864	\$ -	\$ 1,110,250
Amortization expense	110,465	27,655	1,163	-	139,283
Reductions	(39,015)	(1,049)	-	-	(40,064)
Consolidated changes	(2,033)	(14)	(712)	-	(2,759)
Effect of exchange rate differences	<u>355</u>	<u>326</u>	<u>1</u>	<u>-</u>	<u>682</u>
Balance at December 31, 2022	<u>\$ 768,246</u>	<u>\$ 350,830</u>	<u>\$ 88,316</u>	<u>\$ -</u>	<u>\$ 1,207,392</u>
<u>Accumulated impairment</u>					
Balance at January 1, 2022	\$ 111,136	\$ -	\$ 21,577	\$ -	\$ 132,713
Impairment loss	460	-	-	-	460
Effect of exchange rate differences	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3)</u>
Balance at December 31, 2022	<u>\$ 111,593</u>	<u>\$ -</u>	<u>\$ 21,577</u>	<u>\$ -</u>	<u>\$ 133,170</u>
Carrying amounts at December 31, 2022	<u>\$ 190,209</u>	<u>\$ 23,173</u>	<u>\$ 4,607</u>	<u>\$ 30,596</u>	<u>\$ 248,585</u> (Concluded)

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Technology license fees	1-10 years
Software	1-10 years
Patents	8-18 years

An analysis of depreciation by function

	For the Year Ended December 31	
	2023	2022
Operating costs	\$ 237	\$ 165
Selling and marketing expenses	217	32
General and administrative expenses	4,265	3,961
Research and development expenses	<u>114,102</u>	<u>135,125</u>
	<u>\$ 118,821</u>	<u>\$ 139,283</u>

17. OTHER ASSETS

	December 31	
	2023	2022
<u>Current</u>		
Other financial assets		
Restricted assets (a)	\$ -	\$ 43,610
Time deposits (b)	<u>29,077</u>	<u>4,408</u>
	<u>\$ 29,077</u>	<u>\$ 48,018</u>
Other assets		
Prepayments for EDA tools	\$ 23,572	\$ 22,856
Prepaid technical licensing fee	10,942	13,168
Others	<u>34,703</u>	<u>67,045</u>
	<u>\$ 69,217</u>	<u>\$ 103,069</u>
<u>Non-current</u>		
Other financial assets		
Time deposits (c)	\$ 229,331	\$ 214,757
Pledged time deposits (d)	<u>13,500</u>	<u>15,343</u>
	<u>\$ 242,831</u>	<u>\$ 230,100</u>
Other assets		
Refundable deposits(e)	\$ 111,810	\$ 111,975
Prepayments for purchases(f)	21,524	25,182
Others	<u>7,801</u>	<u>7,801</u>
	<u>\$ 141,135</u>	<u>\$ 144,958</u>

- a. Refer to Note 28 for information on restricted assets.
- b. Sunplus Shanghai and Beijing Sunplus-EHue made time deposit of RMB\$6,720 thousand at banks on December 31, 2023; Worldplus (Shenzhen) made time deposit of RMB\$1,000 thousand at banks on December 31, 2022. The period of time deposit is 6 months to 1 year, and interest can be charged at a certain interest rate during the deposit period.
- c. Worldplus (Shenzhen) and Generalplus Shenzhen made time deposit of RMB\$53,000 thousand at banks on December 31, 2023; Sunplus Shanghai, Worldplus (Shenzhen) and Generalplus Shenzhen made certificates of deposit of RMB\$48,720 thousand at the bank on December 31, 2022. The deposit period of the certificates of deposit is 2 to 3 years, and interest can be charged at a certain interest rate during the deposit period.
- d. Refer to Note 34 for information on pledged time deposits.
- e. Refer to Note 35 for information on refundable deposits.
- f. The amount of prepayments is Generalplus Technology signed a production capacity cooperation agreement with the supplier, and the prepayment paid in accordance with the contract will be offset in 5 years when the production capacity conditions in the contract are met.

18. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	2023	2022
<u>Unsecured borrowings</u>		
Bank loans	\$ <u>27,635</u>	\$ <u>42,000</u>

The effective interest rate intervals for bank loans as of December 31, 2023 and 2022 were 6.2% and 2.4% per annum, respectively.

b. Long-term borrowings

The borrowings of the Company were as follows:

	<u>Maturity</u>		<u>December 31</u>	
	Date	Significant Covenant	2023	2022
<u>Floating rate borrowings</u>				
Unsecured bank borrowings	2027.11.18	Repayable quarterly from grace period expiration date, in 16 installments	\$ 500,000	\$ 500,000
Unsecured bank borrowings	2025.09.02	Repayable semiannually from grace period expiration date, in 3 installments, 1&2 installment repay 20% respectively, and the balance will be paid on final installment	500,000	500,000
Unsecured bank borrowings	2028.01.10	Repayable quarterly from grace period expiration date, in 17 installments, interest is paid on a monthly basis	150,000	-
Secured borrowings (Note 34)	2026.06.30	Repayable quarterly from grace period expiration date, per installment repay 5% respectively, and the balance will be paid on maturity	50,000	-
Less: Current portion			<u>(270,295)</u>	<u>-</u>
Long-term borrowings			<u>\$ 929,705</u>	<u>\$ 1,000,000</u>

The interval of effective borrowing rates as of December 31, 2023 and 2022 were 1.920%-2.266% and 1.875%, respectively.

According to the loan contract, the consolidated financial statements of the company for semiannual are limited by current ratio, net tangible assets, debt ratio, interest guarantee multiple. However, the Company's inability to meet the ratio requirements would not be deemed as a violation of the contracts. As of June 30, 2023 and December 31, 2023, the Company was in compliance with these financial ratio requirements.

19. ACCOUNTS PAYABLE

	<u>December 31</u>	
	2023	2022
<u>Accounts payable</u>		
Payable - operating	\$ <u>331,737</u>	\$ <u>420,335</u>

The average credit period on purchases of certain goods was 15-60 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Other payables		
Payables for salaries or bonuses	\$ 477,929	\$ 566,825
Refund liabilities (Note 23)	84,825	143,040
Payables for employees' compensation and remuneration of directors	45,062	138,211
Others	<u>283,603</u>	<u>215,625</u>
	<u>\$ 891,419</u>	<u>\$ 1,063,701</u>
Deferred revenue		
Government grants (Note 28)	<u>\$ 1,885</u>	<u>\$ 1,921</u>
<u>Non-current</u>		
Other payables		
Decommissioning liabilities	\$ 888	\$ 889
Payables for purchases of intangible assets	-	3,838
Payables for purchases of equipment	<u>-</u>	<u>1,870</u>
	<u>\$ 888</u>	<u>\$ 6,597</u>
Deferred revenue		
Government grants (Note 28)	<u>\$ 52,012</u>	<u>\$ 54,905</u>

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The defined benefit plans adopted by Sunplus, Generalplus Technology and Sunplus Innovation Technology in accordance with the Labor Standards Act is operated by the government of the ROC. Under this plan, employees should receive either a series of pension payments with a defined annuity or a lump sum that is payable immediately on retirement and is equivalent to 2 base units for each of the first 15 years of service and 1 base unit for each year of service thereafter. The total retirement benefit is subject to a maximum of 45 units. The pension benefits are calculated on the basis of the length of service and average monthly salaries of the six month before retirement. In addition, the Company makes monthly contributions, equal to 2% of salaries, to a pension fund, which is administered by a fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name and are managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the company has no right to influence the investment policy and strategy.

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

	December 31	
	2023	2022
Present value of funded defined benefit obligation	\$ 148,670	\$ 166,753
Fair value of plan assets	<u>(170,769)</u>	<u>(180,469)</u>
Net assets arising from defined benefit obligation	<u>\$ (22,099)</u>	<u>\$ (13,716)</u>

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

	Present Value of Funded Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2022	\$ 199,537	\$ 184,378	\$ 15,159
Service cost			
Current service cost	478	-	478
Net interest expense (income)	<u>1,018</u>	<u>917</u>	<u>101</u>
Recognized gain and loss	<u>1,496</u>	<u>917</u>	<u>579</u>
Remeasurement			
Return on plan assets	-	14,366	(14,366)
Actuarial (gain) loss-experience adjustment	(784)	-	(784)
Actuarial loss-changes in financial assumptions	<u>(11,224)</u>	<u>-</u>	<u>(11,224)</u>
Recognized in other comprehensive income	<u>(12,008)</u>	<u>14,366</u>	<u>(26,374)</u>
Contributions from the employer	<u>-</u>	<u>227</u>	<u>(227)</u>
Benefit paid	<u>(19,169)</u>	<u>(19,169)</u>	<u>-</u>
Settlements	<u>(3,103)</u>	<u>(250)</u>	<u>(2,853)</u>
Balance at December 31, 2022	<u>\$ 166,753</u>	<u>\$ 180,469</u>	<u>\$ (13,716)</u>
Balance at January 1, 2023	\$ 166,753	\$ 180,469	\$ (13,716)
Service cost			
Current service cost	227	-	227
Net interest expense (income)	<u>2,129</u>	<u>2,276</u>	<u>(147)</u>
Recognized gain and loss	<u>2,356</u>	<u>2,276</u>	<u>80</u>
Remeasurement			
Return on plan assets	-	(373)	373
Actuarial (gain) loss-experience adjustment	(4,802)	-	(4,802)
Actuarial loss-changes in financial assumptions	<u>214</u>	<u>-</u>	<u>214</u>
Recognized in other comprehensive income	<u>(4,588)</u>	<u>(373)</u>	<u>(4,215)</u>
Contributions from the employer	<u>-</u>	<u>225</u>	<u>(225)</u>
Benefit paid	<u>(15,851)</u>	<u>(11,828)</u>	<u>(4,023)</u>
Balance at December 31, 2023	<u>\$ 148,670</u>	<u>\$ 170,769</u>	<u>\$ (22,099)</u>

An analysis by function of the amounts recognized in loss (profit) in respect of the benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
Operating costs	\$ (53)	\$ 53
Selling and marketing expenses	(7)	9
General and administrative expenses	(84)	99
Research and development expenses	<u>224</u>	<u>(3,195)</u>
Net liability arising from defined benefit obligation	<u>\$ (80)</u>	<u>\$ (3,034)</u>

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2023	2022
Discount rate (s)	1.25%-1.30%	1.25%-1.40%
Expected rate (s) of salary increase	3.625%-4.250%	3.625%-4.250%
Resignation rate	0%-28%	0%-28%

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

	December 31	
	2023	2022
Discount rate (s)		
0.25% increase	<u>\$ (3,114)</u>	<u>\$ (3,720)</u>
0.25% decrease	<u>\$ 3,216</u>	<u>\$ 3,850</u>
Expected rate (s) of salary increase		
1% increase	<u>\$ 12,852</u>	<u>\$ 15,844</u>
1% decrease	<u>\$ (11,607)</u>	<u>\$ (14,124)</u>

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

	December 31	
	2023	2022
Expected contributions to the plan for the next year	<u>\$ 225</u>	<u>\$ 223</u>
Average duration of the defined benefit obligation	8-29.4 years	9-29.4 years

22. EQUITY

a. Share capital

1) Ordinary shares:

	December 31	
	2023	2022
Shares authorized (in thousands of shares)	<u>1,200,000</u>	<u>1,200,000</u>
Value of authorized shares	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>
Shares issued and fully paid (in thousands)	<u>591,995</u>	<u>591,995</u>
Shares issued and fully paid	<u>\$ 5,919,949</u>	<u>\$ 5,919,949</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

Of Sunplus' authorized shares, 80,000 thousand shares had been reserved for the issuance of subscription warrants, preferred shares with warrants or corporate bonds with warrants.

2) Global depositary receipts

In March 2001, Sunplus issued 20,000 thousand units of global depositary receipts (GDRs), representing 20,000 thousand ordinary shares that consisted of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (ticker: SUPD) with an issuance price of US\$9.57 per unit.

On August 12, 2022, the board of directors proposed to cease the trading of Sunplus's issued ordinary shares on the London Stock Exchange in the form of GDRs. The termination agreement was completed on November 10, 2022, and the GDRs termination listing procedure was completed on the London Stock Exchange.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
From business combinations	\$ 92,448	\$ 138,032
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	297,845	297,845
		(Continued)
	December 31	
	2023	2022

May on be used to offset a deficit

From treasury share transactions	\$ 57,435	\$ 55,298
Changes in percentage of ownership interests in subsidiaries (2)	461,302	475,546
Changes in net equity of associates accounted for using the equity method	<u>251,901</u>	<u>230,652</u>
	<u>\$ 1,160,931</u>	<u>\$ 1,197,373</u>

(Concluded)

- 1) When Sunplus has no deficit, such capital surplus may be distributed as cash dividends, or may be transferred to share capital once a year and within a certain percentage of Sunplus' capital surplus.
- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

The shareholders' meeting resolved the Sunplus' Articles of Association on June 8, 2022. Under the dividends policy as set forth in the amended Articles, when the Sunplus makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, though this limitation is not applicable when the legal reserve has reached the total capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Sunplus' board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. However, the ratio of earnings for distribution and the ratio of the shareholders' cash dividends may depend on the current year. The actual profit and capital status shall be adjusted by the resolution of the shareholders in their meeting. The total number of shareholders' dividends based on the annual surplus shall be distributed at the rate of not less than 10% of the newly added distributable surplus for the year but shall not be distributed when the annual surplus is less than 1% of the paid-in capital. The aforementioned cash dividends shall not be less than 10% of the total dividends to be distributed to shareholders.

For the policies on the distribution of employees' compensation and remuneration to directors and supervisors before and after the amendment, refer to Note 24-h.

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

The appropriations of earnings for 2022 and 2021 were approved by the shareholder in the shareholders' meeting on June 13, 2023 and June 8, 2022, as follows:

	For Year 2022	For Year 2021
Legal reserve	<u>\$ 27,902</u>	<u>\$ 124,955</u>
Special reserve reversed	<u>\$ 58,521</u>	<u>\$ 21,875</u>
Cash dividend	<u>\$ 309,613</u>	<u>\$ 1,146,102</u>
Cash dividend per share (NT\$)	\$ 0.523	\$ 1.9360

The Sunplus' shareholders resolved in the shareholders' meetings on June 13, 2023 and June 8, 2022 to issue cash dividends of \$45,584 thousand and \$37,888 thousand from the capital surplus.

The deficit compensation proposal for 2023 in the board of directors meeting proposed on March 13, 2024 as follows:

	For the Year 2023
Special reserve reversed	<u>\$ 56,523</u>

The proposal for 2023 deficit compensation is subject to resolution in the shareholders' meeting to be held on June 12, 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	2022
Beginning at January 1	\$ 239,203	\$ 261,078
Special reserve reversed	<u>(58,521)</u>	<u>(21,875)</u>
Balance at December 31	<u>\$ 180,682</u>	<u>\$ 239,203</u>

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (136,477)	\$ (259,512)
Recognized for the year		
Exchange differences on translating foreign operations	(24,896)	110,250
Share of exchange differences of associates accounted for using equity method	(2,420)	768
Reclassification adjustments		
Disposal of foreign operations	<u>(26,377)</u>	<u>12,017</u>
Balance at December 31	<u>\$ (190,170)</u>	<u>\$ (136,477)</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (44,206)	\$ 20,309
Recognized for the year		
Unrealized (losses) gains	61,278	(5,975)
Share from associates accounted for using equity method	33,192	-
Cumulative unrealized losses of equity instruments transferred to retained earnings due to disposal	15,747	(21,952)
Disposal of partial interests in subsidiaries	<u>-</u>	<u>(36,588)</u>
Balance at December 31	<u>\$ 66,011</u>	<u>\$ (44,206)</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 2,472,840	\$ 2,460,759
Share of profit for the year	271,873	454,558
Other comprehensive income (loss) during the year		
Exchange difference on translation the financial statements of foreign entities	(5,118)	4,510
Unrealized loss on financial assets at FVTOCI	4,061	-
Remeasurement of defined benefit plans	15	(741)
Cash dividends from subsidiaries	(459,643)	(557,998)
Increase in non-controlling interests	10,711	3,898

Disposal of subsidiaries	-	(1,732)
Non-controlling interests from vested and cash capital increase reserved from employee share options granted by Sunplus Innovation Technology (Note 27)	<u>19,323</u>	<u>109,586</u>

Balance at December 31	<u>\$ 2,314,062</u>	<u>\$ 2,472,840</u>
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g. Treasury shares

Purpose of Buyback	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares as of January 1 and December 31, 2023	<u>-</u>	<u>3,560</u>	<u>3,560</u>
Number of shares as of January 1 and December 31, 2022	<u>-</u>	<u>3,560</u>	<u>3,560</u>

The Sunplus' shares held by its subsidiaries at the end of the reporting periods were as follows:

Name of Subsidiary	Number of Shares Held (in Thousands of Shares)	Carrying Amount	Market Price
<u>December 31, 2023</u>			
Lin Shin Investment	3,560	<u>\$ 63,401</u>	<u>\$ 122,286</u>
<u>December 31, 2022</u>			
Lin Shin Investment	3,560	<u>\$ 64,301</u>	<u>\$ 79,744</u>

The shares of the Company held by its subsidiaries were treated as treasury shares. The subsidiaries can exercise shareholder's right on these treasury shares, except for the right to subscribe for the Company's new shares and voting rights.

23. REVENUE

	<u>For the Year Ended December 31</u>	
	2023	2022
Revenue from the sale of goods	\$ 5,155,084	\$ 6,301,115
Rental income from property	257,666	254,567
Other	<u>122,671</u>	<u>150,026</u>
	<u>\$ 5,535,421</u>	<u>\$ 6,705,708</u>

a. Contract information

Revenue from the sale of goods

IC products are sold to agents and customers. The Company determines the sales price of products based on orders. It takes into consideration the past purchases of agents and customers in order to estimate the most likely discount amount and return rate. Based on the determination of revenue, the Company recognizes the amount and the liabilities for refunds (accounted for as other current liabilities).

Other income

Other income mainly comes from software development and royalties.

b. Contract balances

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>January 1,</u> <u>2022</u>
Notes receivable and trade receivables (Note 9)	\$ <u>805,983</u>	\$ <u>887,148</u>	\$ <u>1,285,944</u>
Contract liabilities - current	\$ <u>29,544</u>	\$ <u>53,462</u>	\$ <u>30,109</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Company's performance and the respective customer's payment.

c. Disaggregation of revenue

	<u>Reportable Segments</u>	
	<u>Direct Sales</u>	
	2023	2022
<u>Primary geographical markets</u>		
Asia	\$ 3,135,376	\$ 4,025,105
Taiwan	2,400,029	2,638,008
Others	<u>16</u>	<u>42,595</u>
	<u>\$ 5,535,421</u>	<u>\$ 6,705,708</u>
<u>Timing of revenue recognition</u>		
Satisfied at a point in time	\$ 5,263,796	\$ 6,445,826
Satisfied over time	<u>271,625</u>	<u>259,882</u>
	<u>\$ 5,535,421</u>	<u>\$ 6,705,708</u>

24. NET (LOSS) PROFIT

Net (loss) profit included the following items:

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	\$ 58,344	\$ 38,292
Others	<u>724</u>	<u>15</u>
	<u>\$ 59,068</u>	<u>\$ 38,307</u>

b. Other income

	For the Year Ended December 31	
	2023	2022
Rental income	\$ 53,197	\$ 57,932
Dividend income	35,892	117,124
Subsidy income (Note 28)	11,130	53,733
Others	<u>19,736</u>	<u>110,532</u>
	<u>\$ 119,955</u>	<u>\$ 281,389</u>

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net gain (loss) on financial assets and liabilities		
Net (loss) gain on financial assets designated as at FVTPL (Note 7)	\$ 98,133	\$ (262,869)
Gain on disposal of subsidiaries	19,485	71,274
Net foreign exchange gain	7,349	42,642
Impairment loss recognized on financial asset	(6,009)	(6,826)
Gain on disposal of investments accounted for using equity method	-	449,000
Impairment loss recognized on non-financial asset	-	(460)
Others	<u>13,590</u>	<u>14,441</u>
	<u>\$ 132,548</u>	<u>\$ 307,202</u>

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	\$ 26,807	\$ 11,440
Interest on lease liabilities	4,937	5,113
Other finance costs	<u>9,398</u>	<u>586</u>
	<u>\$ 41,142</u>	<u>\$ 17,139</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	\$ 82,138	\$ 82,724
Operating expenses	<u>298,232</u>	<u>261,335</u>
	<u>\$ 380,370</u>	<u>\$ 344,059</u>
An analysis of amortization by function		
Operating costs	\$ 237	\$ 165
Operating expenses	<u>118,584</u>	<u>139,118</u>
	<u>\$ 118,821</u>	<u>\$ 139,283</u>

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2023	2022
Direct operating expenses from investment property that generated rental income	<u>\$ 130,462</u>	<u>\$ 96,497</u>

g. Employee benefit expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	\$ 1,715,698	\$ 1,895,632
Post-employment benefits		
Defined contribution plans	49,051	48,308
Defined benefit plans (Note 21)	<u>80</u>	<u>(3,034)</u>
	49,131	45,274
Share-based payments		
Equity-settled (Note 27)	19,323	109,586
Other employee benefits	<u>41,751</u>	<u>41,008</u>
Total employee benefit expense	<u>\$ 1,825,903</u>	<u>\$ 2,091,500</u>
An analysis of employee benefit expense by function		
Operating costs	\$ 97,474	\$ 96,593
Operating expenses	<u>1,728,429</u>	<u>1,994,907</u>
	<u>\$ 1,825,903</u>	<u>\$ 2,091,500</u>

h. Employees' compensation and remuneration of directors and supervisors

The Sunplus resolved amendments to its Articles of Incorporation to distribute employees' compensation and remuneration directors at rates of no less than 1% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. There was no employees' compensation accrued due to loss before income tax for the year ended December 31, 2022. The employees' compensation and remuneration of directors for the years ended December 31, 2022 which have been approved by the Company's board of directors on March 15, 2023, was as follows:

Accrual rate

For the Year

	Ended December 31, 2022
Employees' compensation	1.00%
Remuneration of directors	1.50%

Amount

	For the Year Ended December 31, 2022	
	Cash	Shares
Employees' compensation	\$ 2,216	\$ -
Remuneration of directors	3,325	-

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

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2022 and 2021.

Information on compensation of employees and remuneration of directors resolved by the Sunplus' board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gain or loss on exchange rate changes

	For the Year Ended December 31	
	2023	2022
Exchange rate gains	\$ 136,080	\$ 254,566
Exchange rate losses	<u>(128,731)</u>	<u>(211,924)</u>
Net gain	<u>\$ 7,349</u>	<u>\$ 42,642</u>

25. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	\$ 170,238	\$ 246,977
Adjustments for prior periods	<u>(36,246)</u>	<u>(14,142)</u>
	133,992	232,835
Deferred tax		
In respect of the current year	<u>1,111</u>	<u>(20,942)</u>
Income tax expense recognized in profit or loss	<u>\$ 135,103</u>	<u>\$ 211,893</u>

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

	For the Year Ended December 31	
	2023	2022
(Loss) profit before tax	<u>\$ (86,171)</u>	<u>\$ 882,350</u>
Income tax expense calculated at the statutory rate	\$ (17,234)	\$ 176,470
Different statutory rate in other jurisdictions	4,173	5,100

Tax effect of adjusting items:		
Nondeductible expenses in determining taxable income	19,568	(97,536)
Temporary differences	42,256	109,360
Current investment credit	(5,820)	(11,502)
Additional on undistributed earnings	46	5
Tax-exempt income	(9,943)	(15,180)
Loss carryforwards	(2,683)	4,068
Differences in income basic tax	<u>6,389</u>	<u>4,493</u>
Current income tax expense	36,752	175,278
Deferred income tax expense		
Temporary differences	1,111	(20,942)
Unrecognized loss carryforwards	133,478	71,505
Adjustments for prior years' tax	(36,246)	(14,142)
Foreign income tax expense	<u>8</u>	<u>194</u>
Income tax expense recognized in profit or loss	<u>\$ 135,103</u>	<u>\$ 211,893</u>

b. Current tax assets and liabilities

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Current tax liabilities		
Income tax payable	<u>\$ 154,794</u>	<u>\$ 145,222</u>

c. Deferred tax assets

The Company offset certain deferred tax assets and deferred tax liabilities that met the offset criteria.

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

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Unrealized loss on inventories	\$ 36,875	\$ (3,979)	\$ 32,896
Fixed assets	10,489	1,001	11,490
Unrealized sales	-	75	75
Exchange (gains) losses	5,302	(943)	4,359
Other	<u>6,342</u>	<u>2,735</u>	<u>9,077</u>
	<u>\$ 59,008</u>	<u>\$ (1,111)</u>	<u>\$ 57,897</u>

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Unrealized loss on inventories	\$ 14,687	\$ 22,188	\$ 36,875
Fixed assets	3,290	7,199	10,489
Unrealized sales	222	(222)	-
Exchange (gains) losses	(523)	5,825	5,302
Other	<u>20,390</u>	<u>(14,048)</u>	<u>6,342</u>
	<u>\$ 38,066</u>	<u>\$ 20,942</u>	<u>\$ 59,008</u>

- d. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2023	2022
<u>Loss Carryforwards</u>		
Expiry in 2023	\$ 1,230,753	\$ 1,454,571
Expiry in 2024	29,360	60,507
Expiry in 2025	27,164	28,139
Expiry in 2026	11,155	37,440
Expiry in 2027	45,326	74,875
Expiry in 2028	130,320	130,320
Expiry in 2029	391,411	391,411
Expiry in 2030	77,149	77,149
Expiry in 2031	21,335	21,335
Expiry in 2032	110	110
Expiry in 2033	<u>217,630</u>	<u>-</u>
	<u>\$ 2,181,713</u>	<u>\$ 2,275,857</u>
Deductible temporary differences	<u>\$ 385,341</u>	<u>\$ 197,052</u>

- e. Unused loss carryforwards and tax-exemptions

Loss carryforwards as of December 31, 2023 pertaining to Sunplus:

Unused Amount	Expiry Year
\$ 1,144,831	2023
10,909	2027
329,899	2029
48,825	2030
5,675	2031
<u>217,504</u>	2033
<u>\$ 1,757,643</u>	

Loss carryforwards as of December 31, 2023 pertaining to Sunplus Venture Capital:

Unused Amount	Expiry Year
<u>\$ 77,633</u>	2023

Loss carryforwards as of December 31, 2023 pertaining to Lin Shin Investment:

Unused Amount	Expiry Year
\$ <u>8,289</u>	2023

Loss carryforwards as of December 31, 2023 pertaining to Sunplus mMedia:

Unused Amount	Expiry Year
\$ 29,360	2024
27,164	2025
11,155	2026
9,369	2027
57,427	2028
25,045	2029
335	2030
76	2031
110	2032
<u>126</u>	2033
<u>\$ 160,167</u>	

Loss carryforwards as of December 31, 2023 pertaining to Jumplux Technology:

Unused Amount	Expiry Year
\$ 25,048	2027
72,893	2028
36,467	2029
27,989	2030
<u>15,584</u>	2031
<u>\$ 177,981</u>	

f. Income tax assessments

The income tax returns of Sunplus, Generalplus Technology, Sunplus Innovation Technology, Lin Shin Investment, Sunplus Venture Capital, Sunplus Management Consulting, Wei-Young Investment, Jumplux Technology, Sunplus mMedia, through 2021 have been assessed by the tax authorities.

26. (LOSS) EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic (loss) gain per share	\$ <u>(0.84)</u>	\$ <u>0.37</u>
Diluted (loss) earnings per share	\$ <u>(0.84)</u>	\$ <u>0.37</u>

The (loss) earnings and weighted average number of ordinary shares outstanding in the computation of (loss) earnings per share were as follows:

Net (loss) profit for the year

	<u>For the Year Ended December 31</u>	
	2023	2022
(Loss) profit for the year attributable to owners of the Company	\$ (493,147)	\$ 215,899
Effect of potentially dilutive ordinary shares		
Bonuses for employees	<u>-</u>	<u>-</u>
(Loss) earnings used in the computation of diluted EPS from continuing operations	<u>\$ (493,147)</u>	<u>\$ 215,899</u>

The weighted average number of ordinary shares outstanding (in thousand shares) is as follows:

	<u>For the Year Ended December 31</u>	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic (loss)_earnings per shares	588,435	588,435
Effect of dilutive potential ordinary shares:		
Bonuses issued to employees	<u>-</u>	<u>184</u>
Weighted average number of ordinary shares used in the computation of diluted (loss)_earnings per share	<u>588,435</u>	<u>588,619</u>

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

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. Restricted shares for employees

In the shareholders' meeting of Sunplus Innovation Technology on June 22, 2020, the shareholders approved a restricted share plan for employees with a total amount of \$20,000 thousand, consisting of 2,000 thousand shares. The aforementioned resolution was declared effectively by the FSC on October 12, 2020.

The first and second restricted share plans were approved by the board of directors of Sunplus Innovation Technology on October 28, 2020 and September 6, 2021. The total amounts both of the two shares was \$10,000 thousand, consisting of 1,000 thousand shares and the issuing price of each share was NT\$0. Sunplus Innovation Technology has set October 28, 2020 and September 6, 2021 as the grant dates, and November 5, 2020 and September 7, 2021 as the record dates of capital increase. The amounts of the fair value of the granted shares were \$75.26 and \$163.50 per share.

After the restricted shares are allocated to employees in accordance with the Sunplus Innovation Technology's regulations, and they are still working after the expiration of the following vested terms while they meet the performance conditions, the proportions of vested shares are as follows:

- 1) Those who served in Sunplus Innovation Technology for a year after the grant date with recent personal performance rating before the expiration date reaches the top 35% (included) of Sunplus Innovation Technology, will receive 50% of the number of allocated shares.
- 2) Those who served in Sunplus Innovation Technology for two year after the grant date with recent personal performance rating before the expiration date reaches the top 35% (included) of Sunplus Innovation Technology, will receive 50% of the number of allocated shares.

When the employee fails to meet the vesting conditions:

- 1) Resignation (voluntary resignation/retirement/layoff/dismissal): The employee that has not fulfilled the vesting conditions will be deemed to have not met the vesting conditions from the day of resignation. Sunplus Innovation Technology will buy back and cancel the employee's restricted shares at the original issuing price according to the laws.
- 2) Unpaid leave: The employee that has not fulfilled the vesting conditions will be restored to the rights and interests from the date of reinstatement, but the vesting period shall be deferred according to the period of unpaid leave.
- 3) Death: The employee that has not fulfilled the vesting conditions will be deemed to have not met the vesting conditions from the day of death. Sunplus Innovation Technology will buy back and cancel the employee's restricted shares at the original issuing price according to the laws.
- 4) Occupational injury:
 - a) Those who are unable to continue their employment due to occupational injury and have not fulfilled the vesting conditions shall still fulfill the vesting conditions according to regulation 3) Death.
 - b) Death due to occupational injury may cause the employee not fulfilling the vesting conditions which shall be fulfilled by the heirs from the day of the death of the inherited employee according to regulation 3) Death.
- 5) Transfer employment: If an employee is requested to transfer to an affiliate company or other company (except transferring to a subsidiary), the restricted shares shall be proceed according to the regulation of "Resignation". However, due to Sunplus Innovation Technology's operation need, employees for those who were assigned by Sunplus Innovation Technology to be transferred to Sunplus Innovation Technology's affiliates or other companies will not be affected.
- 6) Employees or their heirs shall receive the transferred shares according to the trust agreement.
- 7) Share dividends and cash dividends that have been allocated to employees who have not fulfilled the vesting conditions during the vesting period shall not be returned.

The restrictions on the rights of the employees who acquire the restricted shares but have not met the vesting conditions are as follows:

- 1) The employees cannot sell, pledge, transfer, donate or, in any other way, dispose of these shares.
- 2) The employees holding these shares are not entitled to receive cash dividends and share dividends.

- 3) Employees should immediately place the restricted shares under the trust or custody after the issuance of restricted shares. They shall not request the trustee or custodian to return the restricted shares for any reason before the vesting conditions are fulfilled.

Other agreements were as follow:

Sunplus Innovation Technology shall act on behalf of employees to negotiate with trust institutions or custodian institutions. It may include but not limited to negotiate, sign, revise, extend, cancel and terminate the trust contracts or custody contracts and instructions for the delivery, use and disposal of trust or custody property during the period of trust or custody.

Information on employee restricted share was as follows:

	For the Year Ended December 31	
	2023	2022
	Number of Options (In Thousands of Units)	Number of Options (In Thousands of Units)
Outstanding shares at January 1	540	1,495
Shares vested	(483)	(955)
Shares forfeited	<u>(57)</u>	<u>-</u>
Outstanding shares at December 31	<u><u>-</u></u>	<u><u>540</u></u>

Compensation costs recognized were \$19,323 thousand and \$109,586 thousand for the year ended December 31, 2023 and 2022, respectively.

28. GOVERNMENT GRANTS

In August 2013, SunMedia received a government grant amounting to RMB\$16,390 thousand (\$79,213 thousand) for the purchase of land on which to build a plant. The amount was recognized as deferred revenue and subsequently transferred to profit or loss over the useful life of the related asset. The total revenue recognized as profit for the years ended December 31, 2023 and 2022 was \$1,601 thousand and \$1,610 thousand, respectively.

Sunplus applied for the AI on Chip R&D subsidy program from the Ministry of Economic Affairs, and the “Shared Intelligent Computing Chiplet Architecture R&D Program” was reviewed and approved on November 20, 2020. The approved subsidy amounted to \$115,356 thousand. The subsidy program has not yet been concluded on May 31, 2023. As of December 31, 2023 and 2022, the accumulated subsidies received were \$115,356 thousand and \$113,706 thousand, respectively. The amounts of the recognized subsidy income for the year ended December 31, 2023 and 2022 was \$1,020 thousand and \$43,516 thousand. In addition, Sunplus has a special account for subsidies in accordance with regulations. The monthly withdrawal amount shall be withdrawn according to the monthly expenditure summary statement, and the withdrawal amount shall not be higher than the expenditure amount. The special account for subsidies has been closed for payment of funds to the Treasury and due diligence has been completed in accordance with the deed of mutual covenant.

29. LIQUIDATION AND DISPOSAL OF SUBSIDIARIES

Liquidation of subsidiaries

a. Analysis of assets and liabilities from liquidation

The Company completed the liquidation of its subsidiaries, Jsilicon Technology, Giant Kingdom and Giant Best on August 30 and September 5, 2022, respectively. Giant Best has finished the incorporation registration; however, the payment has not yet remitted yet.

	Jsilicon Technology	Giant Kingdom
Current assets		
Cash and cash equivalents	\$ 28,228	\$ 216
Net assets disposed of	<u>\$ 28,228</u>	<u>\$ 216</u>

b. Gain (loss) on liquidation of subsidiaries

	Jsilicon Technology	Giant Kingdom
Consideration received	\$ 28,228	\$ 216
Net assets disposed of	<u>(28,228)</u>	<u>(216)</u>
Gain (loss) on disposals	<u>\$ -</u>	<u>\$ -</u>

c. Net cash inflow on liquidation of subsidiaries

	Jsilicon Technology	Giant Kingdom
Consideration received in cash and cash equivalents	\$ 28,228	\$ 216
Less: Cash and cash equivalent balances disposal of	<u>(28,228)</u>	<u>(216)</u>
	<u>\$ -</u>	<u>\$ -</u>

Disposal of subsidiaries

a. Analysis of assets and liabilities from disposal

The Company completed the disposal of its subsidiaries, GenKi Tek Technology on June 20, 2022 and Magic Sky on June 22, 2022, respectively.

	Magic Sky	GenKiTek Technology
Current assets		
Cash and cash equivalents	\$ 21	\$ 2,352
Other current assets	-	557
Inventories	-	151
Other receivables	-	1
		(Continued)

	Magic Sky	GenKiTek Technology
Non-current assets		
Property, plant and equipment	\$ -	\$ 470
Intangible assets	-	3,257
Right-of-use assets	-	108
Refundable deposits	-	121
Current liabilities		
Payables	-	(952)
Lease liabilities	-	(115)
Other current liabilities	<u>-</u>	<u>(1,330)</u>
Net assets disposed of	<u>\$ 21</u>	<u>\$ 4,620</u> (Concluded)

b. Gain (loss) on disposal of subsidiaries

	Magic Sky	GenKiTek Technology
Consideration received	\$ 86,000	\$ 200
Net assets disposal of	(21)	(4,620)
Reclassification of other comprehensive income in respect of the subsidiaries	(12,017)	-
Non-controlling interests	<u>-</u>	<u>1,732</u>
Gain (loss) on disposals	<u>\$ 73,962</u>	<u>\$ (2,688)</u>

c. Net cash inflow (outflow) on disposal of subsidiaries

	Magic Sky	GenKiTek Technology
Consideration received in cash and cash equivalents	\$ 86,000	\$ 200
Less: Cash and cash equivalent balances disposal of	<u>(21)</u>	<u>(2,352)</u>
	<u>\$ 85,979</u>	<u>\$ (2,152)</u>

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In August 2022, Sunplus and Sunext Technology had acquired the shares of Sunext Technology from Sunext Technology's non-controlling interest by cash consideration, resulting in an increase in the overall shareholding ratio from 92.55% to 100.00%.

In September 2022, Sunplus Innovation Technology vested restricted shares, resulting in a decrease in the overall shareholding ratio from 58.36% to 57.88%.

In November 2022, Sunplus Innovation Technology vested restricted shares, resulting in a decrease in the overall shareholding ratio from 57.88% to 57.38%.

In January 2023, Sunplus Innovation Technology vested restricted shares, resulting in a decrease in the overall shareholding ratio from 57.38% to 57.37%.

In September 2023, Sunplus Innovation Technology vested restricted shares, resulting in a decrease in the overall shareholding ratio from 57.37% to 56.92%.

In July 2023, Sunplus Shanghai held a 2.56% equity interest in Beijing Sunplus APP, and transferred the equity interest to Giant Rock in November 2023, with Sunplus subsidiaries combining to hold 100% of the equity interest.

In October 2023, Sunplus Shanghai transferred its equity interest in Chongqing CQPlus1 to Sunplus Prof-tek (Shenzhen), with Sunplus subsidiaries combining to hold 100% of the equity interest.

The above transactions were accounted for as equity transactions since the Company did not cease to have control over these subsidiaries.

2023

	Sunplus Innovation Technology	Sunplus APP
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (from) to non-controlling interests	\$ (14,314)	\$ 70
Differences recognized from equity transactions	<u>\$ (14,314)</u>	<u>\$ 70</u>
<u>Line items adjusted for equity transactions</u>		
Capital surplus - changes in percentage of ownership interests in subsidiaries	<u>\$ (14,314)</u>	<u>\$ 70</u>

2022

	Sunplus Innovation Technology	Sunext Technology
Cash consideration paid	\$ -	\$ (19,384)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (from) to non-controlling interests	<u>(22,360)</u>	<u>18,462</u>
Differences recognized from equity transactions	<u>\$ (22,360)</u>	<u>\$ (922)</u>

	Sunplus Innovation Technology	Sunext Technology	Total
<u>Line items adjusted for equity transactions</u>			
Capital surplus - changes in percentage of ownership interests in subsidiaries	\$ (22,360)	\$ -	\$ (22,360)
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	<u>-</u>	<u>(922)</u>	<u>(922)</u>
	<u>\$ (22,360)</u>	<u>\$ (922)</u>	<u>\$ (23,282)</u>

31. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

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

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

32. FINANCIAL INSTRUMENTS

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

The management of the Company considers that the fair values of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 760,044	\$ -	\$ -	\$ 760,044
Domestic/foreign listed shares	336,187	-	-	336,187
Domestic/foreign unlisted shares	68,882	-	661,056	729,938
Domestic/foreign- CB Limited partnership	55,259	-	-	55,259
	<u>-</u>	<u>-</u>	<u>875,228</u>	<u>875,228</u>
	<u>\$ 1,220,372</u>	<u>\$ -</u>	<u>\$ 1,536,284</u>	<u>\$ 2,756,656</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 55,466	\$ -	\$ -	\$ 55,466
Domestic/foreign unlisted shares	-	-	324,387	324,387
	<u>\$ 55,466</u>	<u>\$ -</u>	<u>\$ 324,387</u>	<u>\$ 379,853</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 503,173	\$ -	\$ -	\$ 503,173
Domestic listed shares	92,185	-	-	92,185
Domestic/foreign unlisted shares	85,218	-	748,692	833,910
Limited partnership	-	-	773,718	773,718
	<u>\$ 680,576</u>	<u>\$ -</u>	<u>\$ 1,522,410</u>	<u>\$ 2,202,986</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				

Domestic listed shares	\$ 28,957	\$ -	\$ -	\$ 28,957
Domestic/foreign unlisted shares	-	-	262,258	262,258
Domestic private listed shares	-	-	4,340	4,340
	<u>\$ 28,957</u>	<u>\$ -</u>	<u>\$ 266,598</u>	<u>\$ 295,555</u>

(Concluded)

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

For the Year Ended December 31, 2023

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2023	\$ 1,522,410	\$ 266,598	\$ 1,789,008
Recognized in profit or loss	(9,449)	-	(9,449)
Recognized in other comprehensive income	-	80,814	80,814
Purchases	202,140	15,290	217,430
Disposals	(2,130)	(27,378)	(29,508)
Transfer out of Level 3	(28,701)	(8,738)	(37,439)
Refund of shares through capital reduction of the invested company	(147,796)	-	(147,796)
Effect of exchange rate changes	<u>(190)</u>	<u>(2,199)</u>	<u>(2,389)</u>
Balance at December 31, 2023	<u>\$ 1,536,284</u>	<u>\$ 324,387</u>	<u>\$ 1,860,671</u>

For the Year Ended December 31, 2022

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2022	\$ 1,763,252	\$ 126,770	\$ 1,890,022
Recognized in profit or loss	(170,998)	-	(170,998)
Recognized in other comprehensive income	-	10,296	10,296
Purchases	318,693	127,573	446,266
Disposals	(358,485)	-	(358,485)
Transfer out of Level 3	(69,300)	-	(69,300)
Effect of exchange rate changes	<u>39,248</u>	<u>1,959</u>	<u>41,207</u>
Balance at December 31, 2022	<u>\$ 1,522,410</u>	<u>\$ 266,598</u>	<u>\$ 1,789,008</u>

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

- a) The fair values of unlisted equity securities - domestic and foreign were determined using the market approach. The significant unobservable inputs used are listed in the table below. An increase in the price-to-book ratio or price-sales ratio or a decrease in the discount for lack of marketability used in isolation would result in increases in fair value.

	December 31	
	2023	2022
Price-to-book ratio	0.840-7.460	0.745-4.230
Price-to-sales ratio	0.770-10.770	0.788-4.570
Discount for lack of marketability	20%-30%	10%-30%

- b) The fair values of unlisted shares and limited partnership were determined using the asset-based approach. The Company assesses that the amount of its net assets attributable to its investment approaches the fair value of the equity investment. The Company assesses the total value of the individual assets and liabilities covered by the target to reflect the overall value of the business.

- c) The fair values of unlisted shares were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. The significant unobservable inputs used are listed in the table below. An increase in long-term revenue growth rates or a decrease in the weighted average cost of capital (WACC) or discount for lack of marketability used in isolation would result in increases in fair value.

	December 31	
	2023	2022
Long-term revenue growth ratio	-	2.00%
Weighted average cost of capital ratio	-	8.646%
Discount for lack of marketability	-	30%

- d) Domestic listed private equity investment refers to the transaction price of the listed company's stock in the active market, and uses the unobservable input value as discount for lack of marketability to determine the value of the evaluation target.

	December 31	
	2023	2022
Discount for lack of marketability	21.7%	54.8%

c. Categories of financial instruments

	December 31	
	2023	2022
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)	\$ 2,756,656	\$ 2,202,986
Financial assets at amortized cost (1)	5,351,891	5,844,587
Financial assets at (FVTOCI)		
Equity instruments	379,853	295,555
<u>Financial liabilities</u>		
Measured at amortized cost (2)	1,807,824	1,730,973

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes and trade receivables, other receivables, other financial assets and refundable deposits.
 - 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, accounts payable, current portion of long-term bank borrowings, long-term borrowings and guarantee deposits.
- d. Financial risk management objectives and policies

The Company's major financial instruments included mutual funds equity and debt investments, convertible bonds, trade receivables, accounts payable, borrowings and lease liability. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporate Treasury function reported quarterly to the Company's risk management committee.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Company entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

a) Foreign currency risk

A part of the Company's cash flows is in foreign currency, and the use by management of derivative financial instruments is for hedging adverse changes in exchange rates, not for profit.

For exchange risk management, each foreign-currency item of net assets and liabilities is reviewed regularly. In addition, before obtaining foreign loans, the Company considers the cost of the hedging instrument and the hedging period.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period were refer to Note 36.

Sensitivity analysis

The Company was mainly exposed to the USD and RMB.

The following table details the Company sensitivity to a US\$1.00 and RMB1.00 increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity analysis considers the currencies of USD and RMB in circulation, and adjusts the end-of-term conversion to exchange rate change of \$1.00. The sensitivity analysis covers cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets, long-term and short-term loans, accounts payable, other accounts payable and deposit margins. A negative number below indicates a decrease in post-tax profit associated with the New Taiwan dollar strengthening \$1.00 against USD and RMB. For a \$1.00 weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on post-tax profit, and the balances below would be positive.

	USD Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	\$ (29,983)	\$ 25,645

	RMB Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	\$ (9,451)	\$ (11,905)

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

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

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 3,430,238	\$ 2,895,144
Financial liabilities	227,605	210,761
Cash flow interest rate risk		
Financial assets	928,531	1,806,101
Financial liabilities	1,200,000	1,042,000

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. Basis points of 0.125% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been increased/decreased by 0.125% and all other variables held constant, the Company's post-tax profit for the years ended December 31, 2023 and 2022 would decrease/increase by \$339 thousand and increase/decrease \$955 thousand, respectively.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

Had the prices of financial assets at FVTPL been 1% higher/lower, post-tax profit for the year ended December 31, 2023 and 2022 would have increased/decreased by \$27,567 thousand and \$22,030 thousand, respectively.

Had the prices of financial assets at FVTOCI been 1% higher/lower, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$3,799 thousand and \$2,956 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company is arising from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk was significantly reduced.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

The Company's concentration of credit risk of 64% and 60% in total trade receivables as of December 31, 2023 and 2022, respectively, was related to the five largest customers within the property construction business segment. The Company believed that the concentration of credit risk is relatively insignificant for the remaining accounts receivables.

3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized overdraft and financing facilities refer to the following instruction.

a) Liquidity and interest risk rate tables

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

December 31, 2023

On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
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Non-derivative financial
liabilities

Non-interest bearing	\$ 383,822	\$ 95,702	\$ 1,567	\$ 1	\$ -
Lease liabilities	1,073	2,287	8,699	39,377	226,586
Variable interest rate liabilities	1,323	27,654	270,295	929,705	-
Fixed interest rate liabilities	-	-	650	4,096	165,626
	<u>\$ 386,218</u>	<u>\$ 125,643</u>	<u>\$ 281,211</u>	<u>\$ 973,179</u>	<u>\$ 392,212</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 12,059</u>	<u>\$ 39,377</u>	<u>\$ 48,321</u>	<u>\$ 45,617</u>	<u>\$ 38,180</u>	<u>\$ 94,468</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	\$ 289,228	\$ 225,048	\$ 5,154	\$ 1	\$ -
Lease liabilities	1,529	3,204	14,237	41,782	236,250
Variable interest rate liabilities	1,072	42,000	-	1,000,000	-
Fixed interest rate liabilities	-	-	-	4,453	182,057
	<u>\$ 291,829</u>	<u>\$ 270,252</u>	<u>\$ 19,391</u>	<u>\$ 1,046,236</u>	<u>\$ 418,307</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 18,970</u>	<u>\$ 41,782</u>	<u>\$ 48,321</u>	<u>\$ 47,645</u>	<u>\$ 38,180</u>	<u>\$ 102,104</u>

b) Financing facilities

	<u>December 31</u>	
	2023	2022
Unsecured bank overdraft facility, review annually and payable on demand		
Amount used	\$ 1,227,635	\$ 1,085,567
Amount unused	<u>3,165,646</u>	<u>3,790,209</u>
	<u>\$ 4,393,281</u>	<u>\$ 4,875,776</u>

33. TRANSACTIONS WITH RELATED PARTIES

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

a. Name and relationship of related parties

Name	Relationship with the Company
iCatch Technology	Associate
AutoSys (TW) Co., Ltd.	Associate (Note)
eNeural Technologies, Inc.	Associate

Note: It is an associate of the Company; subsidiary of Autosys Co., Ltd..

b. Sales of goods

Line Items	Related Party Categories	For the Year Ended December 31	
		2023	2022
Sales	Associates	\$ <u>64,655</u>	\$ <u>45,790</u>

Sales price to related parties is based on cost and market price. The sales terms to related parties were similar to those with external customers.

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

Account Item	Related Party	December 31	
		2023	2022
Trade receivables	Associates	\$ <u>1,513</u>	\$ <u>6,134</u>
Other receivables	Associates	\$ <u>630</u>	\$ <u>535</u>

There were no guarantees on outstanding receivables from related parties. For the years ended December 31, 2023 and 2022, no impairment loss was recognized for trade receivables from related parties.

d. Prepayments (excluding loans to related parties)

Line Item	Related Party Category	December 31	
		2023	2022
Other current assets	Associate	\$ <u>1,385</u>	\$ <u>-</u>

e. Guarantee deposits received (excluding loans to related parties)

Line Item	Related Party Category	December 31	
		2023	2022
Other liabilities	Associate	\$ <u>666</u>	\$ <u>-</u>

f. Other transactions with related parties

Account Item	Related Parties Types	December 31	
		2023	2022
Operating expenses	Associates	\$ <u>-</u>	\$ <u>114</u>
Non-operating income and expenses	Associates	\$ <u>15,678</u>	\$ <u>12,934</u>

Administrative support services price between the Company and the related parties were negotiated and were thus not comparable with those in the market. There are no other available transactions to be compared with.

The pricing and the payment terms of the lease contract between the Company and the related parties were similar to those with external customers.

g. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 93,940	\$ 143,591
Post-employment benefits	<u>1,049</u>	<u>1,200</u>
	\$ <u>94,989</u>	\$ <u>144,791</u>

The remuneration of directors and other key management personnel was determined by the Compensation Committee in accordance with individual performance and market trends.

34. PLEDGED OR MORTGAGED ASSETS

The following assets of the Company have been pledged or mortgaged as guarantees for endorsement, loan, purchase quota, leased land and customs clearance:

	December 31	
	2023	2022
Buildings, net	\$ 518,128	\$ 537,529
Pledged time deposits (classified as other financial assets - non-current)	<u>13,500</u>	<u>15,343</u>
	\$ <u>531,628</u>	\$ <u>552,872</u>

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitment of the Company as of the end of the reporting period, excluding these disclosed in other note, were as follow:

Long-term purchase contract:

Generalplus Technology signed a long-term supply contract with the supplier in December 2021. According to the contract agreed that supply quantity and price from January 1, 2022 to June 30, 2025. According to the contract, Generalplus has been paid USD\$3,456 thousand to the supplier as a guarantee to ensure the supply of production capacity. The contract stipulates that if fail to fulfill the agreed purchase quantity or supply quantity, the other party has the right to demand a certain amount of compensation.

36. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 42,553	30.705	\$ 1,306,590
JPY	29,434	0.217	6,387
CNY	17,907	4.327	77,484
HKD	91	3.929	358
GBP	3	39.150	117
Nonmonetary items			
CHF	583	36.485	21,271
<u>Financial liabilities</u>			
Monetary items			
USD	12,570	30.705	385,962
CNY	8,456	4.327	36,589

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 46,195	30.710	\$ 1,418,648
JPY	6,762	0.232	1,569
CNY	910	4.408	4,011
HKD	111	3.938	437
GBP	3	37.090	111
EUR	1	32.720	33
Nonmonetary items			
CHF	541	33.205	17,953
<u>Financial liabilities</u>			
Monetary items			
USD	20,550	30.710	631,091
JPY	1,181	0.232	274
CNY	12,815	4.408	56,489

For the years ended December 31, 2023 and 2022, (realized and unrealized) net foreign exchange gains (losses) were \$7,349 thousand and \$(42,642) thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Company.

37. ADDITIONAL DISCLOSURES

- a. Information about significant transactions and investees and b. Information on investees:
- 1) Financings provided: Table 1 (attached)
 - 2) Endorsement/guarantee provided: No
 - 3) Marketable securities held: Table 2 (attached)
 - 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 3 (attached)
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: No.
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: No.
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: No
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: No.
 - 9) Trading in derivative instruments: No.
 - 10) Intercompany relationships and significant intercompany transactions: Table 4 (attached)
- b. Information on investees (Table 5)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 7)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.

- b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services.
- d. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

Except for Table 1 to Table 8, there's no further information about other significant transactions.

38. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods provided. Since all products have similar economic characteristics and product selling is centralized, the Company reports information as referring to one segment. Thus, the information of the operating segment is the same as that presented in the accompanying financial statements. That is, the revenue by sub segment and operating results for the years ended December 31, 2023 and 2022 are shown in the accompanying consolidated income statements, and the assets by segment as of December 31, 2023 and 2022 are shown in the accompanying consolidated balance sheets.

a. Segment revenues and results

The following was an analysis of the Company's operating revenue and results by reportable segment.

	Segment Revenue	
	For the Year Ended December 31	
	2023	2022
IC design	\$ 5,155,084	\$ 6,301,115
Income from lease of property	257,666	254,567
Other income	<u>122,671</u>	<u>150,026</u>
	<u>\$ 5,535,421</u>	<u>\$ 6,705,708</u>

b. Geographical information

The Company operates in two principal geographical areas - the Asia and Taiwan.

The Company's revenue from external customers by location of operations and information about its non-current assets by location of assets is detailed below.

	<u>Revenue from External Customers</u>		<u>Non-current Assets</u>	
	<u>For the Year Ended</u>		<u>December 31</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Asia	\$ 3,135,376	\$ 4,025,105	\$ 1,721,127	\$ 1,848,012
Taiwan	2,400,029	2,638,008	1,284,422	1,423,109
Others	<u>16</u>	<u>42,595</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,535,421</u>	<u>\$ 6,705,708</u>	<u>\$ 3,005,549</u>	<u>\$ 3,271,121</u>

Non-current assets exclude financial instruments, deferred tax assets and other non-current assets.

c. Information about major customers

Single customers contributing 10% or more to the Company's revenue were as follows:

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Customer A	\$ 904,618	\$ 1,026,125
Customer B	(Note)	939,858

Note: The amount of revenue does not reach 10% of the Company's net revenue.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2023

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

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
1	Sunplus Shanghai	SunMedia	Receivables from related parties	Yes	\$ 362,295	\$ 326,256	\$ 326,256	1.80%	Note 1	\$ -	Note 2	\$ -	-	\$ -	\$ 425,476 (Note 5)	\$ 425,476 (Note 5)
2	Sunplus Venture Capital	SunMedia	Receivables from related parties	Yes	50,672	-	-	-	Note 1	-	Note 3	-	-	-	585,134 (Note 6)	585,134 (Note 6)
3	Lin Shin Investment	SunMedia	Receivables from related parties	Yes	186,963	61,410	61,410	4.15%	Note 1	-	Note 4	-	-	-	398,907 (Note 7)	398,907 (Note 7)

Note 1: Short-term financing.

Note 2: Sunplus Shanghai provided funds for the operating needs of SunMedia.

Note 3: Sunplus Venture Capital provided funds for the operating needs of SunMedia.

Note 4: Lin Shin Investment provided funds for the operating needs of SunMedia.

Note 5: Sunplus Shanghai and the loans are all foreign companies whose parent company directly and indirectly holds 100% of the voting shares. When the short-term financing funds need to be engaged in capital lending, the capital loan and the individual amount and total amount should not exceed the capital loan. The enterprise's net worth should not exceed to 60%, and its period should not exceed more than 2 years.

Note 6: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Sunplus Venture Capital's net equity as of its latest financial statements.

Note 7: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Lin Shin Investment's net equity as of its latest financial statements.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note	
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Sunplus	PineBridge Global ESG Quantitative Bond Fund	-	Financial assets at FVTPL - current	542,594	\$ 4,979	-	\$ 4,979	Note 1	
	Nomura Taiwan Money Market Fund	-	Financial assets at FVTPL - current	1,499,784	25,113	-	25,113	Note 1	
	Nomura Global Short Duration Bond Fund	-	Financial assets at FVTPL - current	467,959	4,995	-	4,995	Note 1	
	TriKnight Capital Corporation	-	Financial assets at FVTPL - non-current	28,841,800	263,738	4	263,738	Note 1	
	Intudo Ventures II,L.P.	-	Financial assets at FVTPL - non-current	-	179,463	6	179,463	Note 1	
	Intudo Ventures III,L.P.	-	Financial assets at FVTPL - non-current	-	25,037	1	25,037	Note 1	
	Tesla, Inc.	-	Financial assets at FVTPL - non-current	4,433	33,822	-	33,822	Note 1	
	AMED Ventures I,L.P.	-	Financial assets at FVTPL - non-current	-	18,220	2	18,220	Note 1	
	Intudo Istimewa II, LLC	-	Financial assets at FVTPL - non-current	-	15,338	7	15,338	Note 1	
	Intudo Istimewa I, LLC	-	Financial assets at FVTPL - non-current	-	15,259	14	15,259	Note 1	
	AMED Ventures II,L.P.	-	Financial assets at FVTPL - non-current	-	16,328	1	16,328	Note 1	
	Vertex Growth II (SG) L.P.	-	Financial assets at FVTPL - non-current	-	4,394	-	4,394	Note 1	
	Foxtron Vehicle Technologies Co., Ltd.	-	Financial assets at FVTPL - non-current	1,950,000	86,970	-	86,970	Note 1	
	Intudo Ventures I,L.P.	-	Financial assets at FVTPL - non-current	-	-	-	-	Note 1	
	eYs3D Microelectronics, Inc.	-	Financial assets at FVTOCI - non-current	1,190,476	15,310	1	15,310	Note 1	
	AnHorn Holdings Inc.	-	Financial assets at FVTOCI - non-current	581,396	76,456	2	76,456	Note 1	
	GeneOne Diagnostics Corporation	-	Financial assets at FVTOCI - non-current	1,709,974	-	13	-	Note 1	
	Lin Shin Investment	Airoha Technology Corp.	-	Financial assets at FVTPL - current	60,000	34,620	-	34,620	Note 2
		SYNCOMM TECHNOLOGY CORP.	-	Financial assets at FVTPL - current	500,000	18,350	-	18,350	Note 2
LOTES CO., LTD		-	Financial assets at FVTPL - current	10,000	10,700	-	10,700	Note 2	
GLORIA MATERIAL TECHNOLOGY CORP		-	Financial assets at FVTPL - current	150,000	7,328	-	7,328	Note 2	
Evergreen Aviation Technologies Corporation		-	Financial assets at FVTPL - current	575,000	62,387	-	62,387	Note 2	
Mercuries F&B Co., Ltd.		-	Financial assets at FVTPL - current	350,000	33,516	-	33,516	Note 2	
Bora Pharmaceuticals Co., LTD. 3rd Domestic Unsecured Convertible Bond		-	Financial assets at FVTPL - current	70,000	8,106	-	8,106	Note 2	
GOLD CIRCUIT ELECTRONICS LTD. 2nd Domestic Unsecured Convertible Bond		-	Financial assets at FVTPL - current	80,000	9,120	-	9,120	Note 2	
Sercomm Corp. 7th Domestic Unsecured Convertible Bonds		-	Financial assets at FVTPL - current	110,000	12,133	-	12,133	Note 2	
Horizon Securities Co., Ltd. 2nd Domestic Unsecured Convertible Bond		-	Financial assets at FVTPL - current	50,000	5,035	-	5,035	Note 2	
Yulon Finance Corporation 2nd Domestic Unsecured Convertible Bond		-	Financial assets at FVTPL - current	150,000	15,255	-	15,255	Note 2	
Enterex International Limited - Convertible Bonds		-	Financial assets at FVTPL - current	30,000	-	-	-	Note 1	
Genius Vision Digital Inc.		-	Financial assets at FVTPL - non-current	300,000	-	1	-	Note 1	
Lead Sun Corporation		-	Financial assets at FVTPL - non-current	1,000,000	37,304	11	37,304	Note 1	
AI3 Co.		-	Financial assets at FVTPL - non-current	33,130	431	1	431	Note 1	
Prine Rich International Co., Ltd.		-	Financial assets at FVTOCI - non-current	33,000	1,790	-	1,790	Note 1	
Sunplus Venture Capital		Sunplus	Parent company	Financial assets at FVTOCI - non-current	3,559,996	122,286	1	122,286	Note 2
	Jih Sun Vietnam Opportunity Fund	-	Financial assets at FVTPL - current	500,000	4,090	-	4,090	Note 3	
	Eastspring Investments India Equity Fund	-	Financial assets at FVTPL - current	67,996	3,307	-	3,307	Note 3	
	Lin BioScience, Inc.	-	Financial assets at FVTPL - current	150,000	17,016	-	17,016	Note 2	
	GIGA-BYTE TECHNOLOGY CO., LTD.	-	Financial assets at FVTPL - current	80,000	21,280	-	21,280	Note 2	
ASE Technology Holding Co., Ltd.	-	Financial assets at FVTPL - current	60,000	8,100	-	8,100	Note 2		

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Sunplus Venture Capital	SHINFOX ENERGY CO., LTD. 1ST DOMESTIC SECURED CONVERTIBLE BOND	-	Financial assets at FVTPL - current	50,000	\$ 5,610	-	\$ 5,610	Note 2
	Genius Vision Digital Co., Ltd.	-	Financial assets at FVTPL - non-current	375,000	-	1	-	Note 1
	M-POWER INFORMATION Co., LTD.	-	Financial assets at FVTPL - non-current	12,014,712	127,501	7	127,501	Note 1
	eWave System, Inc.	-	Financial assets at FVTPL - non-current	1,833,333	-	22	-	Note 1
	Book4u Company Limited	-	Financial assets at FVTPL - non-current	9,375	-	-	-	Note 1
	Simple Act Inc.	-	Financial assets at FVTPL - non-current	1,900,000	-	10	-	Note 1
	HUIJIA HEALTH LIFE TECHNOLOGY CO., LTD.	-	Financial assets at FVTPL - non-current	1,049,000	1,650	5	1,650	Note 1
	Foryou Venture Capital Limited Partnership	-	Financial assets at FVTPL - non-current	5,000,000	69,415	10	69,415	Note 1
	Foryou Private Equity Limited Partnership	-	Financial assets at FVTPL - non-current	-	38,981	5	38,981	Note 1
	San Neng Group Holdings Co., LTD.	-	Financial assets at FVTPL - non-current	900,000	36,630	1	36,630	Note 2
	Raynergy Tek Inc.	-	Financial assets at FVTPL - non-current	5,690,500	37,330	12	37,330	Note 1
	CDIB Capital Growth Partners L.P.	-	Financial assets at FVTPL - non-current	-	103,161	2	103,161	Note 1
	TIEF fund I L.P.	-	Financial assets at FVTPL - non-current	-	46,583	7	46,583	Note 1
	Intudo Ventures I,L.P.	-	Financial assets at FVTPL - non-current	-	103,541	8	103,541	Note 1
	TGVest Capital Limited Partnership	-	Financial assets at FVTPL - non-current	-	99,102	5	99,102	Note 1
	Intelligo Technology Inc.	-	Financial assets at FVTPL - non-current	336,502	12,240	1	12,240	Note 1
	Pacific 8 Ventures Fund II,L.P.	-	Financial assets at FVTPL - non-current	-	10,639	2	10,639	Note 1
	Cerulean Asset Management Co., Ltd.	-	Financial assets at FVTPL - non-current	-	23,799	11	23,799	Note 1
	CSVI Ventures, L.P.	-	Financial assets at FVTPL - non-current	-	28,512	2	28,512	Note 1
	Feature Integration Technology Inc.	-	Financial assets at FVTOCI - non-current	602,020	43,105	2	43,105	Note 2
	Innorich Venture Capital Corp.	-	Financial assets at FVTOCI - non-current	3,000,000	17,052	6	17,052	Note 1
	Protect Life International Biomedical Inc.	-	Financial assets at FVTOCI - non-current	469,110	1,570	3	1,570	Note 1
	Promise Technology Inc.	-	Financial assets at FVTOCI - non-current	962,000	12,362	1	12,362	Note 2
	Neuchips Inc. - Preference shares	-	Financial assets at FVTOCI - non-current	585,000	21,821	1	21,821	Note 1
	Neuchips Inc.	-	Financial assets at FVTOCI - non-current	2,100,000	47,900	2	47,900	Note 1
Wei-Young Investment	Feedback Technology Corp.	-	Financial assets at FVTPL - current	50,000	4,775	-	4,775	Note 2
	ChipMOS TECHNOLOGIES INC.	-	Financial assets at FVTPL - current	700,000	29,575	-	29,575	Note 2
Sunplus Shanghai	GF Money Market Fund B	-	Financial assets at FVTPL - current	11,400,000	49,657	-	49,657	Note 3
	GF Daily Income Money Market Fund B	-	Financial assets at FVTPL - current	5,480,000	24,214	-	24,214	Note 3
	GF Huo Qi Bao Money Market Fd B	-	Financial assets at FVTPL - current	8,340,000	36,120	-	36,120	Note 3
	Ready Sun Investment Group Fund	-	Financial assets at FVTPL - non-current	-	40,151	16	40,151	Note 1
Generalplus Technology	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at FVTPL - current	1,934,557	20,556	-	20,556	Note 3
	Yuanta De-Li Money Market Fund	-	Financial assets at FVTPL - current	2,568,841	43,068	-	43,068	Note 3
Sunplus Innovation Technology	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at FVTPL - current	1,934,557	20,556	-	20,556	Note 3
	Yuanta De-Li Money Market Fund	-	Financial assets at FVTPL - current	2,568,841	43,068	-	43,068	Note 3
	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	10,133,835	141,291	-	141,291	Note 3
	Taishin Ta-Chong Money Market Fund	-	Financial assets at FVTPL - current	11,733,616	171,417	-	171,417	Note 3
	FUBON CHI-HSIANG MONEY MARKET FUND	-	Financial assets at FVTPL - current	8,764,601	141,140	-	141,140	Note 3
	CTBC Hwa-win Money Market Fund	-	Financial assets at FVTPL - current	7,962,421	90,096	-	90,096	Note 3
Giant Rock	Xiamen Xm-plus Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	11,150,000	218,167	13	218,167	Note 1
Chongqing CQPlus1	Vicoretek Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	142,487	8	142,487	Note 1

Note 1: The market value was based on the carrying amount as of December 31 2023.

Note 2: The market value was based on the closing price as of December 31, 2023.

Note 3: The market value was based on the net asset value of the fund as of December 31, 2023.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)			Ending Balance		
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal (Note 4)	Number of Shares	Amount
Generalplus Technology	Yuanta De-Li Money Market Fund	Financial assets at FVTPL - current	-	-	12,855,130	\$ 213,002	20,897,176	\$ 348,000	31,183,465	\$ 520,000	\$ 517,842	\$ 2,158	2,568,841	\$ 43,068

Note 1: Marketable Securities in this table include shares, bonds, beneficiary certificates and derivative products.

Note 2: Fill in the two columns if marketable securities are accounted for using equity method.

Note 3: The accumulated amount of acquisition/disposal were calculated at costs or prices of at least NT\$300 million or 20% of the paid-in capital separately.

Note 4: Paid-in capital is the paid-in capital of the parent company Shares of issuers without par value or not NT\$10 per share are calculated according to 10% of total equity attributable to owners of the Company regarding the regulation on transaction amount of 20% of paid-in capital.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statement Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Sunplus	Generalplus Technology	1	Sales	\$ 2,995	Note 1	0.05%
			Notes receivable and trade receivables	698	Note 1	0.01%
			Other receivables	42	Note 3	-
			Non-operating income	529	Note 3	0.01%
	Sunext Technology	1	Sales	39	Note 1	-
			Non-operating income	1,469	Note 2	0.03%
	Sunplus Innovation Technology	1	Non-operating income	4,177	Note 2	0.08%
			Other receivables	642	Note 3	-
	Jumplux Technology	1	Sales	10,713	Note 1	0.19%
			Non-operating income	8,184	Note 2	0.15%
Notes receivable and trade receivables			1,923	Note 1	0.01%	
Other receivables			4,504	Note 3	0.03%	
Chongqing CQPlus1	1	Cost of goods sold	18,232	Note 2	0.33%	
SunMedia	1	Other payables	26,085	Note 3	0.19%	
		Research and development expenses	103,542	Note 2	1.87%	
Sunplus Prof-tek (Shenzhen)	1	Other payables	27,921	Note 3	0.20%	
		Research and development expenses	110,665	Note 2	2.00%	
Sunplus Innovation Technology	SunMedia	2	Other payables	1,595	Note 3	0.01%
	Worldplus (Shenzhen)	2	Selling and marketing expenses	6,394	Note 2	0.12%
Generalplus Technology	Generalplus H.K.	2	Other payables	7,070	Note 3	0.05%
			Selling and marketing expenses	27,047	Note 2	0.49%
Generalplus Technology	Generalplus (Shenzhen)	2	Selling and marketing expenses	10,849	Note 2	0.20%
			Other payables	2,535	Note 3	0.02%
	Sunplus Innovation Technology	2	Sales	77,989	Note 2	1.41%
			Research and development expenses	76,124	Note 2	1.38%
Sunplus Shanghai	Chongqing CQ Plus 1	2	Notes receivable and trade receivables	5,210	Note 1	0.04%
			Other payables	21,195	Note 3	0.15%
Sunplus Shanghai	SunMedia	2	Sales	115	Note 1	-
			Research and development expenses	1,779	Note 2	0.03%
			Other receivables	326,256	Note 3	2.34%
	Giant Rock	2	Interest revenue	5,428	Note 2	0.10%
			Research and development expenses	3,205	Note 2	0.06%
Sunplus Prof-tek (Shenzhen)	2	Other receivables	3,462	Note 3	0.02%	
Sunplus Prof-tek (Shenzhen)	2	Other receivables	116,829	Note 2	0.84%	

(Continued)

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statement Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Sunplus Prof-tek (Shenzhen)	Worldplus (Shenzhen)	2	Non-operating income	\$ 9,660	Note 1	0.17%
Lin Shin Investment	SunMedia	2	Other receivables	61,569	Note 3	0.44%
			Interest revenue	3,967	Note 2	0.07%
Sunplus Venture Capital	SunMedia	2	Interest revenue	846	Note 2	0.02%
Beijing Sunplus-EHue	SunMedia	2	Sales	7,411	Note 1	0.13%
Sunplus App	Beijing Sunplus - EHue	2	Notes receivable and trade receivables	1,643	Note 1	0.01%
			General and administrative expenses	343	Note 2	-
			Refundable deposits	16	Note 2	-

Note 1: The transactions were based on normal commercial prices and terms.

Note 2: The prices were based on negotiations; the payment period and related terms were not comparable to market terms.

Note 3: The transaction payment terms were similar to normal commercial terms.

Note 4: Lease transaction terms were based on negotiations, and were thus not comparable to market terms. The transactions between the Company and counterparty were made under normal terms.

Note 5: 1 - From parent company to subsidiary.

2 - Between subsidiaries.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES

DECEMBER 31, 2023

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Sunplus	Ventureplus Group	Belize	Investment	\$ 2,454,740 (US\$ 74,605 RMB\$ 37,900)	\$ 2,454,740 (US\$ 74,605 RMB\$ 37,900)	80,821,284	100	\$ 1,728,967	\$ 53,636	\$ 59,393	Subsidiary
	Award Glory	Belize	Investment	322,577 (US\$ 7,072 RMB\$ 24,366)	290,272 (US\$ 7,072 RMB\$ 16,900)	9,566,874	100	310,129	(87,133)	(87,133)	Subsidiary
	Global View	New Taipei, Taiwan	Consumer electronics, components and rental of buildings	315,658	315,658	8,229,457	13	324,338	64,208	8,388	Investee
	Lin Shin Investment	Hsinchu, Taiwan	Investment	699,988	699,988	70,000,000	100	874,981	118,601	116,466	Subsidiary
	Generalplus Technology	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324,304	34	715,498	167,985	57,620	Subsidiary
	Sunplus Venture Capital	Hsinchu, Taiwan	Investment	1,109,982	829,982	123,748,800	100	1,462,835	68,758	68,758	Subsidiary
	Sunplus Innovation Technology	Hsinchu, Taiwan	Design of ICs	273,941	273,941	29,265,751	50	1,171,070	427,789	215,355	Subsidiary
	Russell	Cayman Islands, British West Indies	Investment	-	926,830 (US\$ 30,185)	-	-	-	4,658	4,658	Subsidiary (Note 3)
	iCatch Technology	Hsinchu, Taiwan	Design of ICs	127,345	127,345	12,734,546	13	276,717	64,498	9,841	Investee
	Sunplus mMedia	Hsinchu, Taiwan	Design of ICs	407,565	407,565	22,440,723	90	22,553	(126)	(114)	Subsidiary
	Sunplus Management Consulting	Hsinchu, Taiwan	Management	5,000	5,000	500,000	100	3,027	(166)	(166)	Subsidiary
	Sunplus Technology (H.K.)	Kowloon Bay, Hong Kong	International trade	-	43,541 (HK\$ 11,075)	-	-	-	-	-	Subsidiary (Note 4)
	Sunplus mMobile	Hsinchu, Taiwan	Design of ICs	-	2,596,792	-	-	-	(15,000)	(15,000)	Subsidiary (Note 2)
	Wei-Young Investment	Hsinchu, Taiwan	Investment	140,157	70,157	12,400,000	100	116,175	8,016	8,016	Subsidiary
	Jumplux Technology	Hsinchu, Taiwan	Design of ICs	132,000	132,000	13,200,000	55	31,750	51,533	28,343	Subsidiary
	AKiraNET	Taipei, Taiwan	Information software service	174,000	174,000	17,400,000	17	84,102	(454,737)	(88,910)	Investee
	DeepLux Technology, Inc.	America	Design of ICs	3,071 (US\$ 100)	-	3,806	25	3,217	834	174	Investee
WiSilicon Innovation	Hsinchu, Taiwan	Design of ICs	13,500	-	3,000,000	38	8,440	3,171	(5,060)	Investee	
AutoSys Co., Ltd.	Cayman Islands, British West Indies	Investment	76,763 (US\$ 2,500)	-	5,000,000	16	64,783	(38,239)	(3,701)	Investee (Note 3)	
Lin Shin Investment	Generalplus Technology	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892,301	14	286,644	167,985	22,990	Subsidiary
	Sunplus Innovation Technology	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,074,664	2	40,777	427,789	7,908	Subsidiary
	iCatch Technology	Hsinchu, Taiwan	Design of ICs	9,645	9,645	964,545	1	22,758	(64,498)	(653)	Investee
	Sunplus mMedia	Hsinchu, Taiwan	Design of ICs	19,408	19,408	650,185	3	5,317	(126)	(3)	Subsidiary
	GlintMed Innovation	Hsinchu, Taiwan	Investment management consultant	1,250	1,250	125,000	13	382	(1,677)	(210)	Investee
Sunplus Venture Capital	Jumplux Technology.	Hsinchu, Taiwan	Design of ICs	101,000	101,000	10,100,000	42	24,291	51,533	21,685	Subsidiary
	Sunplus Innovation Technology	Hsinchu, Taiwan	Design of ICs	60,588	60,588	2,923,513	5	117,978	427,789	21,513	Subsidiary
	iCatch Technology	Hsinchu, Taiwan	Design of ICs	33,439	33,439	3,331,818	4	78,612	(64,498)	(2,254)	Investee
	Sunplus mMedia	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909,092	8	365	(126)	(10)	Subsidiary
	eNeural Technologies, Inc.	Hsinchu, Taiwan	Software development	37,500	-	15,000,000	35	35,103	(13,244)	(4,455)	Investee
	GlintMed Innovation	Hsinchu, Taiwan	Investment management consultant	1,250	1,250	125,000	12	382	(1,677)	(210)	Investee
Russell	Autosys Co., Ltd.	Cayman Islands, British West Indies	Investment	-	76,763 (US\$ 2,500)	-	-	-	(38,239)	(2,511)	Investee (Note 3)

Ventureplus Group	Ventureplus Mauritius	Mauritius	Investment	2,454,740 (US\$ 74,605 RMB\$ 37,900)	2,454,740 (US\$ 74,605 RMB\$ 37,900)	8,082,129	100	1,757,803	53,636	53,636	Subsidiary
Ventureplus Mauritius	Ventureplus Cayman	Cayman Islands, British West Indies	Investment	2,454,740 (US\$ 74,605 RMB\$ 37,900)	2,454,740 (US\$ 74,605 RMB\$ 37,900)	80,821,284	100	1,757,781	53,636	53,636	Subsidiary
Generalplus Technology	Generalplus Samoa	Samoa	Investment	586,158 (US\$ 19,090)	586,158 (US\$ 19,090)	19,090,000	100	535,806	13,719	13,719	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Generalplus Samoa	Generalplus Mauritius	Mauritius	Investment	\$ 586,158 (US\$ 19,090)	\$ 586,158 (US\$ 19,090)	19,090,000	100	\$ 543,232	\$ 13,719	\$ 13,719	Subsidiary
Generalplus Mauritius	Generalplus H.K.	Hong Kong	Marketing	11,975 (US\$ 390)	11,975 (US\$ 390)	-	100	9,922	(1,598)	(1,598)	Subsidiary
Award Glory	Sunny Fancy	Seychelles	Investment	322,577 (US\$ 7,072 RMB\$ 24,366)	290,272 (US\$ 7,072 RMB\$ 16,900)	9,566,874	100	310,129	(87,133)	(87,133)	Subsidiary
	Giant Rock	Anguilla	Investment	188,335 (US\$ 2,700 RMB\$ 24,366)	156,030 (US\$ 2,700 RMB\$ 16,900)	5,194,948	100	216,175	(73,395)	(73,395)	Subsidiary
	Worldplus	America	Investment	110,538 (US\$ 3,600)	110,538 (US\$ 3,600)	100	100	93,760	(13,708)	(13,708)	Subsidiary

Note 1: The initial exchange rate was based on the exchange rate as of December 31, 2023.

Note 2: The liquidation of Sunplus mMobile on June 15, 2023.

Note 3: The liquidation completion date of Russell Holdings Limited was on July 24, 2023, the investment company, AutoSys Co., Ltd. continues to be held by Sunplus.

Note 4: The liquidation of Sunplus HK on December 1, 2023.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Loss (Note 2)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Sunplus Shanghai	Software development, customer technical services, leasing business and property management	\$ 528,126 (US\$ 17,200)	Note 1	\$ 542,097 (US\$ 17,655)	\$ -	\$ -	\$ 542,097 (US\$ 17,655)	100%	\$ 52,202	\$ 52,202	\$ 709,127	\$ -
Sunplus Prof-tek (Shenzhen)	Software development, customer technical services, leasing business, property management and corporate management	990,236 (US\$ 32,250)	Note 1	990,236 (US\$ 32,250)	-	-	990,236 (US\$ 32,250)	100%	12,389	12,389	746,624	-
SunMedia	Software development, customer technical services, leasing business and property management	614,100 (US\$ 20,000)	Note 1	614,100 (US\$ 20,000)	-	-	614,100 (US\$ 20,000)	100%	(10,675)	(10,675)	194,397	-
Sunplus App	Electronic component sales and information management education services	168,753 (RMB\$ 39,000)	Note 1	168,573 (US\$ 586 RMB\$ 34,800)	-	-	168,573 (US\$ 568 RMB\$ 34,800)	100%	(944)	(923)	1,442	-
Beijing Sunplus-EHue	Software development, customer technical services, leasing business and property management	116,829 (RMB\$ 27,000)	Note 1	116,829 (RMB\$ 27,000)	-	-	116,829 (RMB\$ 27,000)	100%	1,450	1,450	53,080	-
Worldplus Technology (Shenzhen) Co., Ltd	Software development, building rental and property management	82,382 (RMB\$ 19,039)	Note 4	110,538 (US\$ 3,600)	-	-	110,538 (US\$ 3,600)	100%	(12,376)	(13,708)	93,760	-
Chongqing CQPlus1	Development of computer software, IC design	\$ 173,080 (US\$ 40,000)	Note 3	-	-	-	-	100%	(954)	(101)	174,707	-

Accumulated Investment in Mainland China as of December 31, 2023 (Notes 5 and 6)	Investment Amounts Authorized by the Investment Commission, MOEA	Limit on Investment
\$ 2,724,638 (US\$ 79,872 RMB 62,900)	\$ 2,729,732 (US\$ 80,052 RMB 62,800)	\$ 5,091,131

Sunplus Venture Capital

Accumulated Investment in Mainland China as of December 31, 2023 (Note 6)	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
\$ 94,786 (US\$ 3,087)	\$ 94,786 (US\$ 3,087)	\$ 877,701

Lin Shin Investment

Accumulated Investment in Mainland China as of December 31, 2023 (Note 7)	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
\$ 28,586 (US\$ 931)	\$ 28,586 (US\$ 931)	\$ 598,360

(Continued)

Generalplus Technology (Nature of Relationship: 1)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	% Ownership of Direct or Indirect Investment	Net Loss of the investee	Investment Loss (Note 2)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Generalplus Shenzhen	Design of ICs, after sales service and marketing research	\$ 574,184 (US\$ 18,700)	Note 1	\$ 574,184 (US\$ 18,700)	\$ -	\$ -	\$ 574,184 (US\$ 18,700)	100%	\$ 15,317	\$ 15,317	\$ 533,290	\$ -

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Limit on Investment
\$ 574,184 (US\$ 18,700)	\$ 574,184 (US\$ 18,700)	\$ 1,268,485

Note 1: Indirect investment in a company located in mainland China through investment in a company located in a third country.

Note 2: Based on the reviewed financial statements of investees in the same period.

Note 3: Sunplus pro-tek (Shenzhen) reinvested in a company located in mainland China.

Note 4: It is a company located in mainland China that acquired the investment of the third regional investment company on September 2, 2019.

Note 5: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs includes the investment business of Xiamen Xm-plus Technology Co., Ltd. in mainland China, and is included in the financial assets at FVTPL-non-current.

Note 6: Due to the adjustment of the organizational structure of the Group, the Company obtained the approval of the Investment Review Committee of the Ministry of Economic Affairs to invest in the equity of Xiamen Xm-plus Technology Co., Ltd. On October 18, 2023. The Company remitted RMB 7,466 thousand on November 30, 2023. Part of the equity originally held by Sunplus Shanghai was changed to Giant Rock Inc., the amount of which did not include RMB 7,466 thousand.

Note 7: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs includes the investment business of Sanneng-Group Holding Company in mainland China, and CSVI Ventures, L.P, and is included in the financial assets at FVTPL-non-current.

Note 8: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs includes the investment business of Arizon RFID Technology (Cayman) Co., Ltd in mainland China, and is included in the financial assets at FVTPL-current.

Note 9: The original foreign currency was derived from the exchange rate on December 31, 2023.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES

FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars,)

Investee Company	Transaction Type	Research and Development Expense		Price	Transaction Details		Notes/Trade Receivables (Payables)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Market Transactions	Ending Balance	%		
Generalplus Shenzhen	Development and processing services	\$ 76,124	16.65	Based on contract	Based on contract	Not comparable with market transactions	\$ 21,195	89.28	\$ -	NA
	Sales	77,990	3.70	Based on contract	Based on contract	Not comparable with market transactions	15,210	4.19	57	NA
Chongqing CQPlus1	Purchases	9,294	4.31	Based on contract	Based on contract	Not comparable with market transactions	-	-	5,757	NA
	Manufacturing expense	3,181	1.34	Based on contract	Based on contract	Not comparable with market transactions	-	-	-	NA
SunMedia	Development and processing services	103,542	7.76	Based on contract	Based on contract	Not comparable with market transactions	(26,100)	48.31	-	NA
Sunplus Prof-tek (Shenzhen)	Processing services	110,665	8.30	Based on contract	Based on contract	Not comparable with market transactions	(27,922)	51.69	-	NA

SUNPLUS TECHNOLOGY COMPANY LIMITED

**INFORMATION OF MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chou-chye, Huang	92,737,817	15.66

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

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

6.5 Sunplus Technology Company Limited

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

Opinion

We have audited the accompanying financial statements of Sunplus Technology Company Limited, which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sunplus Technology Company Limited as of December 31, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Sunplus Technology Company Limited 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, 2023. 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 matter identified in Sunplus Technology Company Limited's financial statements for the year ended December 31, 2023 is as follows:

Occurrence of Revenue from Specific Customers

Integrated circuit chip sales accounted for 95% of Sunplus Technology Company Limited's total revenue. Among them revenue declined in 2023, some of the customers whose revenue has grown significantly and significant amount carry a higher risk related to the occurrence of sales revenue. Therefore, we considered the occurrence of revenue as a key audit matter. For detailed disclosure of revenue, refer to Notes 4 and 21 to the accompanying consolidated financial statements.

Our audit procedures performed in respect of the above key audit matter included the following:

1. We obtained an understanding of the related internal control and operating procedures in Sunplus Technology Company Limited's sales transaction cycle, and we evaluated and confirmed the operating effectiveness of the related internal control and operating procedures.
2. We selected samples from the sales details, and we examined customers' original orders, sales electronic orders, delivery orders, logistics receipt documents or export declaration, and sales invoices for any abnormalities and confirmed that sales revenue did occur.

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 Sunplus Technology Company Limited'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 Sunplus Technology Company Limited or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the audit committee) are responsible for overseeing Sunplus Technology Company Limited'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 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 Sunplus Technology Company Limited'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 Sunplus Technology Company Limited'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 Sunplus Technology Company Limited 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 Sunplus Technology Company Limited 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, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tung-Hui Yeh and Ya-Yun Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2024

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 the financial statements shall prevail.

SUNPLUS TECHNOLOGY COMPANY LIMITED

BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022 (Restated)	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 444,895	4	\$ 446,666	4
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	35,087	-	59,120	1
Trade receivables, net (Notes 4, 5, 9, 21 and 28)	148,866	2	185,771	2
Other receivables (Notes 4 and 28)	56,327	1	83,579	1
Inventories (Notes 4 and 10)	598,840	6	977,619	9
Other financial assets - current (Notes 15 and 25)	-	-	43,610	-
Other current assets (Note 15)	43,124	-	54,419	-
Total current assets	<u>1,327,139</u>	<u>13</u>	<u>1,850,784</u>	<u>17</u>
NON-CURRENT ASSETS				
Financial assets at FVTPL - non-current (Notes 4 and 7)	658,569	6	276,006	3
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	91,766	1	-	-
Investments accounted for using the equity method (Notes 4 and 11)	7,198,582	70	7,722,878	70
Property, plant and equipment (Notes 4, 12, 29 and 30)	680,224	7	744,972	7
Right-of-use assets (Notes 4 and 13)	156,686	2	163,350	1
Intangible assets (Notes 4 and 14)	133,241	1	187,370	2
Deferred tax assets (Notes 4 and 23)	2,485	-	2,485	-
Net defined benefit assets - non-current (Notes 4 and 19)	40,513	-	31,993	-
Other financial assets- non-current (Notes 15 and 30)	10,500	-	12,343	-
Other non-current assets (Note 15)	9,037	-	9,095	-
Total non-current assets	<u>8,981,603</u>	<u>87</u>	<u>9,150,492</u>	<u>83</u>
TOTAL	<u>\$ 10,308,742</u>	<u>100</u>	<u>\$ 11,001,276</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 21)	\$ 8,439	-	\$ 14,027	-
Accounts payable (Notes 17 and 30)	63,452	1	172,388	2
Lease liabilities - current (Notes 4 and 13)	5,316	-	5,169	-
Current portion of long-term bank borrowings (Note 16)	270,295	3	-	-
Other current liabilities (Notes 18 and 30)	351,780	3	329,998	3
Total current liabilities	<u>699,282</u>	<u>7</u>	<u>521,582</u>	<u>5</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	929,705	9	1,000,000	9
Lease liabilities - non-current (Notes 4 and 13)	159,761	2	165,077	2
Guarantee deposits	34,775	-	46,820	-
Other liabilities (Note 18)	-	-	5,709	-
Total non-current liabilities	<u>1,124,241</u>	<u>11</u>	<u>1,217,606</u>	<u>11</u>
Total liabilities	<u>1,823,523</u>	<u>18</u>	<u>1,739,188</u>	<u>16</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 20)				
Share capital				
Ordinary shares	5,919,949	57	5,919,949	54
Capital surplus	1,160,931	11	1,197,373	11
Retained earnings				
Legal reserve	1,898,136	19	1,870,234	17
Special reserve	180,682	2	239,203	2
(Accumulated deficit) unappropriated earnings	(486,919)	(5)	279,413	3
Total retained earnings	<u>1,591,899</u>	<u>16</u>	<u>2,388,850</u>	<u>22</u>
Other equity	(124,159)	(1)	(180,683)	(2)
Treasury shares	(63,401)	(1)	(63,401)	(1)
Total equity	<u>8,485,219</u>	<u>82</u>	<u>9,262,088</u>	<u>84</u>
TOTAL	<u>\$ 10,308,742</u>	<u>100</u>	<u>\$ 11,001,276</u>	<u>100</u>

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

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

	2023		2022 (Restated)	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 21 and 29)	\$ 1,132,485	100	\$ 1,381,041	100
OPERATING COSTS (Notes 10, 22 and 29)	<u>826,378</u>	<u>73</u>	<u>920,161</u>	<u>67</u>
GROSS PROFIT	<u>306,107</u>	<u>27</u>	<u>460,880</u>	<u>33</u>
OPERATING EXPENSES (Notes 22 and 29)				
Selling and marketing expenses	86,356	8	98,712	7
General and administrative expenses	182,195	16	211,263	15
Research and development expenses	<u>1,065,224</u>	<u>94</u>	<u>1,035,650</u>	<u>75</u>
Total operating expenses	<u>1,333,775</u>	<u>118</u>	<u>1,345,625</u>	<u>97</u>
LOSS FROM OPERATIONS	<u>(1,027,668)</u>	<u>(91)</u>	<u>(884,745)</u>	<u>(64)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 11, 22, 25 and 29)				
Interest income	4,591	-	1,800	-
Other income	55,336	5	186,254	13
Other gains and losses	147,616	13	331,430	24
Finance costs	(30,260)	(3)	(13,975)	(1)
Share of profit or loss of subsidiaries and associates	<u>357,246</u>	<u>32</u>	<u>593,311</u>	<u>43</u>
Total non-operating income and expenses	<u>534,529</u>	<u>47</u>	<u>1,098,820</u>	<u>79</u>
(LOSS) PROFIT BEFORE INCOME TAX	(493,139)	(44)	214,075	15
INCOME TAX EXPENSE (Notes 4 and 23)	<u>8</u>	<u>-</u>	<u>194</u>	<u>-</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(493,147)</u>	<u>(44)</u>	<u>213,881</u>	<u>15</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss (Notes 4, 19 and 20):				
Remeasurement of defined benefit plans	4,200	-	27,762	2
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	61,279	5	-	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	50,547	5	(29,155)	(2)

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED

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

	2023		2022 (Restated)	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss (Notes 4 and 20):				
Exchange differences on translation of the financial statements of foreign operations	\$ 12,510	1	\$ 81,686	6
Share of other comprehensive (loss) income of subsidiaries and associates accounted for using the equity method	<u>(39,826)</u>	<u>(3)</u>	<u>29,332</u>	<u>2</u>
Other comprehensive income for the year, net of income tax	<u>88,710</u>	<u>8</u>	<u>109,625</u>	<u>8</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (404,437)</u>	<u>(36)</u>	<u>\$ 323,506</u>	<u>23</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ (493,147)	(44)	\$ 215,899	15
Non-controlling interests	<u>-</u>	<u>-</u>	<u>(2,018)</u>	<u>-</u>
	<u>\$ (493,147)</u>	<u>(44)</u>	<u>\$ 213,881</u>	<u>15</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ (404,437)	(36)	\$ 325,524	23
Non-controlling interests	<u>-</u>	<u>-</u>	<u>(2,018)</u>	<u>-</u>
	<u>\$ (404,437)</u>	<u>(36)</u>	<u>\$ 323,506</u>	<u>23</u>
(LOSS) EARNINGS PER SHARE (Note 24)				
Diluted earnings per share	<u>\$ (0.84)</u>		<u>\$ 0.37</u>	
Basic earnings per share	<u>\$ (0.84)</u>		<u>\$ 0.37</u>	

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

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

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

	Share Capital Issued and Outstanding		Capital Surplus	Retained Earnings			Equity Directly Associated with Non-current Assets Held for Sale	Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share (Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)		Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Losses) on Financial Assets				
BALANCE AT JANUARY 1, 2022	591,995	\$ 5,919,949	\$ 1,223,544	\$ 1,745,279	\$ 261,078	\$ 1,249,574	\$ 21,517	\$ (259,512)	\$ 20,309	\$ (63,401)	\$ 10,118,337	\$ -	\$ 10,118,337
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	-	-	-	-	-	20,481	20,481
BALANCE AT JANUARY 1, 2022 AS RESTATED	591,995	5,919,949	1,223,544	1,745,279	261,078	1,249,574	21,517	(259,512)	20,309	(63,401)	10,118,337	20,481	10,138,818
Appropriation of the 2021 earnings													
Legal reserve	-	-	-	124,955	-	(124,955)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,146,102)	-	-	-	-	(1,146,102)	-	(1,146,102)
Reversal of special reserve	-	-	-	-	(21,875)	21,875	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	27,879	-	-	-	(21,517)	-	-	-	6,362	-	6,362
Issuance of share dividends from capital surplus	-	-	(37,888)	-	-	-	-	-	-	-	(37,888)	-	(37,888)
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	-	12,017	-	-	12,017	-	12,017
Difference between consideration and carrying amount of the subsidiaries during actual disposal or acquisition	-	-	(922)	-	-	-	-	-	-	-	(922)	-	(922)
Changes in percentage of ownership interests in subsidiaries	-	-	(22,360)	-	-	-	-	-	-	-	(22,360)	-	(22,360)
Net profit for the year ended December 31, 2022	-	-	-	-	-	215,899	-	-	-	-	215,899	(2,018)	213,881
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	26,534	-	111,018	(27,927)	-	109,625	-	109,625
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	242,433	-	111,018	(27,927)	-	325,524	(2,018)	323,506
Adjustments to capital surplus for the Company cash dividends received by subsidiaries	-	-	7,120	-	-	-	-	-	-	-	7,120	-	7,120
Reduction in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(18,463)	(18,463)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	36,588	-	-	(36,588)	-	-	-	-
BALANCE AT DECEMBER 31, 2022	591,995	5,919,949	1,197,373	1,870,234	239,203	279,413	-	(136,477)	(44,206)	(63,401)	9,262,088	-	9,262,088
Appropriation of the 2022 earnings													
Legal reserve	-	-	-	27,902	-	(27,902)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(309,613)	-	-	-	-	(309,613)	-	(309,613)
Reversal of special reserve	-	-	-	-	(58,521)	58,521	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	21,249	-	-	-	-	-	-	-	21,249	-	21,249
Issuance of share dividends from capital surplus	-	-	(45,584)	-	-	-	-	-	-	-	(45,584)	-	(45,584)
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	-	(26,377)	-	-	(26,377)	-	(26,377)
Changes in percentage of ownership interests in subsidiaries	-	-	(14,244)	-	-	-	-	-	-	-	(14,244)	-	(14,244)
Net loss for the year ended December 31, 2023	-	-	-	-	-	(493,147)	-	-	-	-	(493,147)	-	(493,147)
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	5,809	-	(27,316)	110,217	-	88,710	-	88,710
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(487,338)	-	(27,316)	110,217	-	(404,437)	-	(404,437)
Adjustments to capital surplus for the Company cash dividends received by subsidiaries	-	-	2,137	-	-	-	-	-	-	-	2,137	-	2,137
BALANCE AT DECEMBER 31, 2023	591,995	\$ 5,919,949	\$ 1,160,931	\$ 1,898,136	\$ 180,682	\$ (486,919)	\$ -	\$ (190,170)	\$ 66,011	\$ (63,401)	\$ 8,485,219	\$ -	\$ 8,485,219

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before income tax	\$ (493,139)	\$ 214,075
Adjustments for:		
Depreciation expense	193,706	159,068
Amortization expense	83,842	96,271
Net (gain) loss on the fair value change of financial assets at FVTPL	(94,023)	207,514
Financial costs	30,260	13,975
Interest income	(4,591)	(1,800)
Dividends income	(2,853)	(78,400)
Share of profit of subsidiaries and associates	(357,246)	(593,311)
Gain on disposal of subsidiaries	(19,485)	(73,962)
Gain on disposal of associates	-	(449,000)
Impairment loss recognized on financial assets	6,009	6,826
Impairment loss recognized on non-financial assets	-	457
Unrealized gain on the transactions with subsidiaries and associates	(1,388)	(1,387)
Net loss (gain) on foreign currency exchange	3,655	(9,515)
Changes in operating assets and liabilities:		
Decrease in trade receivables	32,391	80,752
Decrease (increase) in other receivables	53,427	(7,924)
Decrease (increase) in inventories	378,779	(438,295)
Decrease in other current assets	9,068	20,024
Increase in net defined benefit assets - non-current	(8,520)	(27,440)
(Decrease) increase in contract liabilities	(5,588)	2,067
Decrease in trade payables	(107,937)	(122,140)
Increase (decrease) in other current liabilities	33,554	(197,466)
Increase in net defined benefit liabilities - non-current	<u>4,200</u>	<u>27,762</u>
Cash used in operations	(265,879)	(1,171,849)
Interest received	4,521	1,804
Dividends received	466,218	994,348
Interest paid	(28,876)	(13,124)
Income tax paid	<u>(8)</u>	<u>(3,499)</u>
Net cash generated from (used in) operating activities	<u>175,976</u>	<u>(192,320)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	(15,290)	-
Proceeds from the sale of financial assets at FVTOCI	-	33,539
Purchase of financial assets at FVTPL	(284,553)	(310,784)
Proceeds from the sale of financial assets at FVTPL	164,845	392,358
Refund of shares through capital reduction of financial assets at FVTPL	120,000	-
Acquisition of investments accounted for using equity method	(398,518)	-
Net cash inflow on disposal of subsidiaries	531,454	86,000
Proceeds from disposal of associates	-	535,987
Payments for property, plant and equipment	(126,154)	(205,872)

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED

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

	2023	2022
Increase in refundable deposits	\$ -	\$ (1,180)
Decrease in refundable deposits	58	57
Payments for intangible assets	(42,095)	(44,516)
Decrease (increase) in other financial assets	<u>45,453</u>	<u>(19,820)</u>
Net cash (used in) generated from investing activities	<u>(4,800)</u>	<u>465,769</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	200,000	1,000,000
Repayments of long-term borrowings	-	(430,000)
Proceeds from guarantee deposits received	2,579	-
Refund of guarantee deposits received	(14,619)	(11,071)
Repayment of the principal portion of lease liabilities	(5,169)	(4,408)
Cash dividends paid	(355,197)	(1,183,990)
Reduction in non-controlling interests	<u>-</u>	<u>(19,384)</u>
Net cash used in financing activities	<u>(172,406)</u>	<u>(648,853)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(541)</u>	<u>19,056</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,771)	(356,348)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>446,666</u>	<u>803,014</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 444,895</u>	<u>\$ 446,666</u>

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

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sunplus Technology Company Limited (the “Company”) was established in August 1990 and moved to Hsinchu Science Park in October 1993. It designs, produces, tests and sells various integrated circuits (ICs); it researches, develops, sells various software application and silicon intellectual property; it engages in the tradings and agency business of various integrated circuits.

The Company’s shares have been listed on the Taiwan Stock Exchange since January 2000. Some of its shares have been issued in the form of global depository receipts (GDRs), which have been listed on the London Stock Exchange since March 2001. The procedures for terminating GDRs were completed on November 10, 2022 (refer to Note 20).

The parent financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

The Company merge Sunext Technology Co., Ltd. the 100% owned subsidiary of the Company on October 15, 2023. Sunplus Technology Company Limited is the surviving company. This transaction is a group reorganization under common control. The comparative information of the prior period in the financial statements is restated as if the acquisition had already occurred.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors and authorized for issue on March 13, 2024.

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

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

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

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

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

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions

entered into after the date of initial application of IFRS 16.

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

1) Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”

The amendments clarify that the liability that arises from a sale and leaseback transaction - that satisfies the requirements in IFRS 15 to be accounted for as a sale - is a lease liability to which IFRS 16 applies. However, if the lease in a leaseback that includes variable lease payments that do not depend on an index or rate, the seller-lessee shall measure lease liabilities arising from a leaseback in such a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The seller-lessee subsequently recognizes in profit or loss the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability.

2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Company shall disclose information that enables users of financial statements to understand the risk of the Company, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Company’s own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

3) Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, the suppliers are paid. The amendments stipulate that the Company shall disclose the relevant information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the Company’s liabilities and cash flows and on the Company’s exposure to liquidity risk.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company’s financial position and financial performance.

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

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

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

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

- 1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated.

- 2) Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Company shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of Compliance

The accompanying financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis for Preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing these accompanying financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the accompanying financial statements to be the same with the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these accompanying financial statements.

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

Current assets include:

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

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

d. Business Combinations

Business combinations are accounted for applying the book-value method. Comparative information of the prior period in the consolidated financial statements is restated as if the combination had already occurred.

e. Foreign currencies

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

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

- 1) Monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investments.

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

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

f. Inventories

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

g. Investments accounted for using the equity method

- 1) Investment in subsidiaries

The Company uses the equity method to account for investments in subsidiaries.

Subsidiaries are the entities controlled by the Company.

Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. Besides, the Company also recognizes the Company's share of the change in other equity of the subsidiary.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the accompanying financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the accompanying financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

2) Investments in associates

An associate is an entity over which the Company has significant influence and which is not a subsidiary.

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

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

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

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

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

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Company transacts with its associate (profits and losses resulting from the transactions with the associate are recognized in the Company's accompanying financial statements only to the extent of interests in the associate and the jointly controlled entity that are not related to the Company).

h. Property, plant and equipment

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

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

i. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

j. Impairment of property, plant and equipment, right-of-use asset and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of property, plant and equipment and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

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

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

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

k. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are attributed to the original acquisition cost.

1) Financial assets

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

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets is classified as at FVTPL when such a financial asset is mandatorily classified or it is designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income, respectively; any remeasurement gains or losses on such financial assets are recognized and interest income in other gains or losses. Fair value is determined in the manner described in Note 28: Financial Instruments.

ii. Financial assets at amortized cost

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

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, other financial assets, trade receivables, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

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

iii. Investments in equity instruments at FVTOCI

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

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

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

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

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

1. Revenue recognition

The Company identifies a contract with a customer, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Unearned receipts for merchandise sales would be recognized as contract liabilities before the company fulfills its performance obligations.

Revenue from the sale of goods

Revenue from the sale of goods comes from the sale of ICs. Sales of ICs are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

Other income

Other income mainly comes from software development and royalties.

m. Leases

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

1) The Company as lessor

All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheet.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. The Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

n. Borrowing costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Government grants

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

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

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

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

q. Taxation

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

1) Current tax

According to the Income Tax Act, an additional tax of inappropriate earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Company considers the possible impact of government policies and regulations and inflation and interest rate fluctuations when making its critical accounting estimates on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

Estimated impairment of financial assets

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

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2023	2022
Cash on hand	\$ 381	\$ 355
Demand deposits	214,514	442,311
Cash equivalents		
Time deposits	<u>230,000</u>	<u>4,000</u>
	<u>\$ 444,895</u>	<u>\$ 446,666</u>

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

	<u>December 31</u>	
	2023	2022
Bank balance	0.001%-1.575%	0.001%-1.050%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2023	2022
<u>Financial assets at fair value through profit of loss (FVTPL) - current</u>		
Financial assets classified as at FVTPL		
Non-derivative financial assets		
Domestic and foreign investment		
Mutual funds	\$ 35,087	\$ 4,645
Listed shares	<u>-</u>	<u>54,475</u>
	<u>\$ 35,087</u>	<u>\$ 59,120</u>

(Continued)

	<u>December 31</u>	
	2023	2022
<u>Financial assets at FVTPL - non-current</u>		
Financial assets classified as at FVTPL		
Non-derivative financial assets		
Domestic and foreign investment		
Limited partnership	\$ 274,039	\$ 6,183
Unlisted shares	263,738	269,823
Listed shares	<u>120,792</u>	<u>-</u>
	<u>\$ 658,569</u>	<u>\$ 276,006</u>
		(Concluded)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	2023	2022
<u>Non-current</u>		
Domestic and foreign investment		
Unlisted shares	<u>\$ 91,766</u>	<u>\$ -</u>

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

9. TRADE RECEIVABLES, NET

	<u>December 31</u>	
	2023	2022
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	<u>\$ 148,866</u>	<u>\$ 185,771</u>

Trade receivables

The average credit period on sales of goods was 30 to 60 days without interest. The Company's exposure to credit risk and external credit ratings are continuously monitored. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the industry outlook. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

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

The Company's current credit risk grading framework is shown in the following table:

December 31, 2023

	Not Overdue	Overdue 1-60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 120 days or More	Total
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	\$ 148,866	\$ -	\$ -	\$ -	\$ -	\$ 148,866
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	<u>\$ 148,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,866</u>

December 31, 2022

	Not Overdue	Overdue 1-60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 120 days or More	Total
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	\$ 185,771	\$ -	\$ -	\$ -	\$ -	\$ 185,771
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	<u>\$ 185,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,771</u>

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

	2023	2022
Balance at January 1 and December 31	<u>\$ -</u>	<u>\$ -</u>

10. INVENTORIES

	December 31	
	2023	2022
Finished goods	\$ 302,238	\$ 313,938
Work in progress	226,206	330,795
Raw materials	<u>70,396</u>	<u>332,886</u>
	<u>\$ 598,840</u>	<u>\$ 977,619</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 were \$826,378 thousand and \$920,161 thousand, respectively.

The costs of inventories recognized as costs of goods sold for the years ended December 31, 2023 and 2022 were as follows:

	For the Year Ended December 31	
	2023	2022
Inventory write-downs	\$ (193,280)	\$ (137,796)
Income from scrap sales	<u>90</u>	<u>106</u>
	<u>\$ (193,190)</u>	<u>\$ (137,690)</u>

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	\$ 6,436,985	\$ 6,964,943
Investments in associates	<u>761,597</u>	<u>757,935</u>
	<u>\$ 7,198,582</u>	<u>\$ 7,722,878</u>

a. Investments in subsidiaries

	December 31	
	2023	2022
Listed companies		
Sunplus Innovation Technology Inc. (“Sunplus Innovation Technology”)	\$ 1,171,070	\$ 1,165,423
Generalplus Technology Inc. (“Generalplus Technology”)	715,498	847,758
Non-listed companies		
Ventureplus Group Inc. (“Ventureplus Group”)	1,728,967	1,678,364
Sunplus Venture Capital Co., Ltd. (“Sunplus Venture Capital”)	1,462,835	1,103,338
Russell Holdings Limited (“Russell”)	-	890,371
Lin Shin Investment Co., Ltd. (“Lin Shin Investment”)	874,981	814,218
Award Glory Limited. (“Award Glory”)	310,129	368,974
Wei-Young Investment Inc. (“Wei-Young Investment”)	116,175	38,159
Sunplus mMobile Inc. (“Sunplus mMobile”)	-	29,043
Sunplus mMedia Inc. (“Sunplus mMedia”)	22,553	22,667
Jumplux Technology Co., Ltd. (“Jumplux Technology”)	31,750	3,407
Sunplus Management Consulting Inc. (“Sunplus Management Consulting”)	3,027	3,193
Sunplus Technology (H.K.) Co., Ltd. (“Sunplus Technology (H.K.)”)	<u>-</u>	<u>28</u>
	<u>\$ 6,436,985</u>	<u>\$ 6,964,943</u>

Except for Sunplus Management Consulting, investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have been audited. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of Sunplus Management Consulting which have not been audited.

Sunplus mMobile considered its business' future development and concluded that it has no plan to continue operation. The board of directors resolved to dispose dissolution on January 19, 2022 and completed the dissolution on February 28, 2022. The liquidation was completed on June 15, 2023.

Russell had been liquidated in July 24, 2023 and the cancellation was completed on October 31, 2023.

The cancellation of Sunplus Technology (H.K.) was completed on December 1, 2023.

Refer to Note 32 for the detail list of investments in subsidiaries.

The percentage subsidiaries' ownerships and voting right held by the Company:

	December 31	
	2023	2022
Listed companies		
Sunplus Innovation Technology	50%	50%
Generalplus Technology	34%	34%
Non-listed companies		
Ventureplus Group	100%	100%
Sunplus Venture Capital	100%	100%
Russell	-	100%
Lin Shin Investment	100%	100%
Award Glory	100%	100%
Wei-Young Investment	100%	100%
Sunplus mMobile	-	100%
Sunplus mMedia	90%	90%
Jumplux Technology	55%	55%
Sunplus Management Consulting	100%	100%
Sunplus Technology (H.K.)	-	100%

The Company merge Sunext Technology Co., Ltd. the 100% owned subsidiary of the Company on October 15, 2023. Sunplus Technology Company Limited is the surviving company. This transaction is a group reorganization under common control; therefore, the comparative information of the prior period in the financial statements is restated as if the combination had already occurred.

The impact of retrospective adjustment on related items of balance sheets is set out below:

	December 31, 2022
Investments accounted for using the equity method	<u>\$ 248,972</u>
b. Investments in associates	

	December 31	
	2023	2022
Associates		
Global View Co., Ltd.	\$ 324,338	\$ 318,969
iCatch Technology Inc. ("iCatch Technology")	276,717	282,913
AkiraNet Co., Ltd.	84,102	156,053
		(Continued)

	December 31	
	2023	2022
AutoSys Co., Ltd.	\$ 64,783	\$ -
DeepLux Technology, Inc.	3,217	-
Wisilicon Innovation Co., Ltd (“Wisilicon Innovation”)	<u>8,440</u>	<u>-</u>
	<u>\$ 761,597</u>	<u>\$ 757,935</u>
		(Concluded)

Name of Associate	Proportion of Ownership and Voting Rights	
	December 31	
	2023	2022
Global View Co., Ltd.	13%	13%
iCatch Technology	13%	13%
AkiraNet Co., Ltd.	17%	26%
AutoSys Co., Ltd.	16%	-
DeepLux Technology, Inc.	25%	-
Wisilicon Innovation	38%	-

Refer to Table 4 “Information on Investees” for the nature of activities, principal places of business and countries of incorporation of the associates.

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

	December 31	
	2023	2022
Global View Co., Ltd.	<u>\$ 246,884</u>	<u>\$ 241,535</u>
iCatch Technology	<u>\$ 925,801</u>	<u>\$ 509,382</u>

All the associates are accounted for using the equity method.

The summarized financial information of the Company’s associates is set out below:

	December 31	
	2023	2022
Total assets	<u>\$ 4,279,495</u>	<u>\$ 4,222,750</u>
Total liabilities	<u>\$ 375,664</u>	<u>\$ 427,086</u>

	For the Year Ended December 31	
	2023	2022
Operating revenue, net	<u>\$ 1,296,691</u>	<u>\$ 1,249,011</u>
Net loss for the year	<u>\$ (210,564)</u>	<u>\$ (46,906)</u>
Total comprehensive loss for the year	<u>\$ (377,885)</u>	<u>\$ (122,070)</u>
Share of loss of associates accounted for using the equity method	<u>\$ (98,950)</u>	<u>\$ (14,355)</u>

The investments accounted for by using the equity method and the share of profit or loss and other comprehensive income of those investments were based on the associates' audited financial statements audited by the auditors.

12. PROPERTY, PLANT AND EQUIPMENT

Assets used by the Company

	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Furniture and Fixtures	Construction in Process	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 969,645	\$ 24,113	\$ 11,740	\$ 232,790	\$ 123,690	\$ 6,971	\$ 1,368,949
Additions	-	6,134	-	83,881	21,264	11,015	122,294
Reductions	-	(1,757)	(3,500)	(32,431)	(20,525)	-	(58,213)
Reclassified	-	1,552	-	4,379	12,055	(17,986)	-
Balance at December 31, 2023	<u>\$ 969,645</u>	<u>\$ 30,042</u>	<u>\$ 8,240</u>	<u>\$ 288,619</u>	<u>\$ 136,484</u>	<u>\$ -</u>	<u>\$ 1,433,030</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2023	\$ 421,570	\$ 13,222	\$ 5,079	\$ 126,428	\$ 57,678	\$ -	\$ 623,977
Depreciation expense	19,730	4,483	2,279	127,179	33,371	-	187,042
Reductions	-	(1,757)	(3,500)	(32,431)	(20,525)	-	(58,213)
Balance at December 31, 2023	<u>\$ 441,300</u>	<u>\$ 15,948</u>	<u>\$ 3,858</u>	<u>\$ 221,176</u>	<u>\$ 70,524</u>	<u>\$ -</u>	<u>\$ 752,806</u>
Carrying amount at December 31, 2023	<u>\$ 528,345</u>	<u>\$ 14,094</u>	<u>\$ 4,382</u>	<u>\$ 67,443</u>	<u>\$ 65,960</u>	<u>\$ -</u>	<u>\$ 680,224</u>
<u>Cost</u>							
Balance at January 1, 2022	\$ 969,645	\$ 22,689	\$ 3,500	\$ 128,347	\$ 101,284	\$ 26,429	\$ 1,251,894
Additions	-	3,001	2,395	115,880	26,971	23,064	171,311
Reductions	-	(1,577)	-	(42,984)	(9,695)	-	(54,256)
Reclassified	-	-	5,845	31,547	5,130	(42,522)	-
Balance at December 31, 2022	<u>\$ 969,645</u>	<u>\$ 24,113</u>	<u>\$ 11,740</u>	<u>\$ 232,790</u>	<u>\$ 123,690</u>	<u>\$ 6,971</u>	<u>\$ 1,368,949</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2022	\$ 401,840	\$ 11,593	\$ 2,407	\$ 70,101	\$ 39,216	\$ -	\$ 525,157
Depreciation expense	19,730	3,206	2,672	99,311	28,157	-	153,076
Reductions	-	(1,577)	-	(42,984)	(9,695)	-	(54,256)
Balance at December 31, 2022	<u>\$ 421,570</u>	<u>\$ 13,222</u>	<u>\$ 5,079</u>	<u>\$ 126,428</u>	<u>\$ 57,678</u>	<u>\$ -</u>	<u>\$ 623,977</u>
Carrying amount at December 31, 2022	<u>\$ 548,075</u>	<u>\$ 10,891</u>	<u>\$ 6,661</u>	<u>\$ 106,362</u>	<u>\$ 66,012</u>	<u>\$ 6,971</u>	<u>\$ 744,972</u>

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

Buildings	35-56 years
Auxiliary equipment	4-11 years
Machinery and equipment	4 years
Testing equipment	1-4 years
Furniture and fixtures	2-5 years

Refer to Note 30 for the carrying amounts of property, plant and equipment that had been pledged by the Company to secure borrowings.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	2023	2022
<u>Carrying amount</u>		
Land	\$ 155,005	\$ 160,660
Transportation equipment	<u>1,681</u>	<u>2,690</u>
	<u>\$ 156,686</u>	<u>\$ 163,350</u>
	<u>For the Year Ended December 31</u>	
	2023	2022
Depreciation charge for right-of-use assets		
Land	\$ 5,655	\$ 5,656
Transportation equipment	<u>1,009</u>	<u>336</u>
	<u>\$ 6,664</u>	<u>\$ 5,992</u>

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets during the year ended December 31, 2023 and 2022.

b. Lease liabilities

	<u>December 31</u>	
	2023	2022
<u>Carrying amount</u>		
Current	<u>\$ 5,316</u>	<u>\$ 5,169</u>
Non-current	<u>\$ 159,761</u>	<u>\$ 165,077</u>

Range of discount rates for lease liabilities was as follows:

	<u>December 31</u>	
	2023	2022
Land	2.390%	2.390%
Transportation equipment	1.625%	1.625%

c. Material lease-in activities and terms

The Company leases land and buildings located in the ROC for the use of plants and offices has a lease terms of 20 years. The lease agreement specifies that lease payments will be adjusted on the basis of changes in the announced land value prices. The Company does not have bargain purchase options to acquire the leasehold land at the end of the lease terms.

The Company did not enter into significant lease contracts for the years ended December 31, 2023 and 2022.

d. Other lease information

	2023	2022
Expenses relating to short-term leases	\$ 297	\$ 1,536
Expenses relating to low-value asset leases	\$ 394	\$ 425
Total cash outflow for leases	<u>\$ 9,939</u>	<u>\$ 10,493</u>

The Company leases certain transportation equipment and other leases which qualify as short-term leases. The Company has elected to apply the recognition exemption and therefore did not recognize right-of-use assets and lease liabilities for these leases.

14. INTANGIBLE ASSETS

	Technology License Fees	Software	Patents	Total
<u>Cost</u>				
Balance at January 1, 2023	\$ 563,826	\$ 14,198	\$ 97,099	\$ 675,123
Additions	28,796	917	-	29,713
Reductions	<u>(78,280)</u>	<u>(1,811)</u>	<u>-</u>	<u>(80,091)</u>
Balance at December 31, 2023	<u>\$ 514,342</u>	<u>\$ 13,304</u>	<u>\$ 97,099</u>	<u>\$ 624,745</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ 273,316	\$ 5,745	\$ 75,522	\$ 354,583
Amortization expense	79,450	4,392	-	83,842
Reductions	<u>(78,280)</u>	<u>(1,811)</u>	<u>-</u>	<u>(80,091)</u>
Balance at December 31, 2023	<u>\$ 274,486</u>	<u>\$ 8,326</u>	<u>\$ 75,522</u>	<u>\$ 358,334</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2023 and December 31, 2023	<u>\$ 111,593</u>	<u>\$ -</u>	<u>\$ 21,577</u>	<u>\$ 133,170</u>
Net Balance at December 31, 2023	<u>\$ 128,263</u>	<u>\$ 4,978</u>	<u>\$ -</u>	<u>\$ 133,241</u>
<u>Cost</u>				
Balance at January 1, 2022	\$ 570,268	\$ 9,601	\$ 97,099	\$ 676,968
Additions	35,263	4,597	-	39,860
Reductions	<u>(41,705)</u>	<u>-</u>	<u>-</u>	<u>(41,705)</u>
Balance at December 31, 2022	<u>\$ 563,826</u>	<u>\$ 14,198</u>	<u>\$ 97,099</u>	<u>\$ 675,123</u>

(Continued)

	Technology License Fees	Software	Patents	Total
<u>Accumulated amortization</u>				
Balance at January 1, 2022	\$ 221,939	\$ 2,556	\$ 75,522	\$ 300,017
Amortization expense	93,082	3,189	-	96,271
Reductions	<u>(41,705)</u>	<u>-</u>	<u>-</u>	<u>(41,705)</u>
Balance at December 31, 2022	<u>\$ 273,316</u>	<u>\$ 5,745</u>	<u>\$ 75,522</u>	<u>\$ 354,583</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2022	\$ 111,136	\$ -	\$ 21,577	\$ 132,713
Impairment loss	<u>457</u>	<u>-</u>	<u>-</u>	<u>457</u>
Balance at December 31, 2022	<u>\$ 111,593</u>	<u>\$ -</u>	<u>\$ 21,577</u>	<u>\$ 133,170</u>
Net Balance at December 31, 2022	<u>\$ 178,917</u>	<u>\$ 8,453</u>	<u>\$ -</u>	<u>\$ 187,370</u> (Concluded)

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Technology license fees	1-10 years
Software	3 years
Patents	18 years

An analysis of the amortization by function:

	December 31	
	2023	2022
Operating costs	\$ 237	\$ 165
General and administrative expenses	1,659	1,403
Research and development expenses	<u>81,946</u>	<u>94,703</u>
	<u>\$ 83,842</u>	<u>\$ 96,271</u>

15. OTHER ASSETS

	December 31	
	2023	2022
<u>Current</u>		
Other financial assets		
Restricted assets (a)	<u>\$ -</u>	<u>\$ 43,610</u>
Other assets		
Prepayments for EDA tools	\$ 17,449	\$ 16,481
Prepaid technical licensing fee	10,942	13,168
Prepaid materials	302	9,493
Others	<u>14,431</u>	<u>15,277</u>
	<u>\$ 43,124</u>	<u>\$ 54,419</u> (Continued)

	December 31	
	2023	2022
<u>Non-current</u>		
Other financial assets		
Pledged time deposits (b)	<u>\$ 10,500</u>	<u>\$ 12,343</u>
Other assets		
Refundable deposits	\$ 1,237	\$ 1,295
Others	<u>7,800</u>	<u>7,800</u>
	<u>\$ 9,037</u>	<u>\$ 9,095</u>
		(Concluded)

- a. Refer to Note 25 for information on restricted assets.
- b. Refer to Note 30 for information on pledged time deposits.

16. BORROWINGS

Long-term borrowings

The borrowings of the Company were as follows:

	December 31	
	2023	2022
<u>Unsecured borrowings</u>		
Bank loans on credit	\$ 1,150,000	\$ 1,000,000
<u>Secured borrowings</u>		
Bank loan (a)	50,000	-
Less: Current portion	<u>(270,295)</u>	<u>-</u>
Long-term borrowings - non-current	<u>\$ 929,705</u>	<u>\$ 1,000,000</u>

- a. The bank loan is secured by mortgages on the Company's buildings (Note 30), and the maturity date of the bank loan is June 30, 2026.

The intervals of effective borrowing rate as of December 31, 2023 and 2022 was 1.920%-2,266% and 1.875%.

In addition, in accordance with the provisions of the loan contract, the Company's consolidated financial statements for semiannual and annual are subject to current ratio, net tangible assets, debt ratio, interest coverage ratio, but they are not included in the examination of default items. The Company's financial ratios are in compliance with the contract requirements.

17. ACCOUNTS PAYABLE

	<u>December 31</u>	
	2023	2022
<u>Accounts payable</u>		
Payable - operating	\$ 63,452	\$ 172,388

The average credit period on purchases of certain goods was 15-60 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER LIABILITIES

	<u>December 31</u>	
	2023	2022
<u>Current</u>		
Other liabilities		
Payables for salaries or bonuses	\$ 105,718	\$ 117,567
Other payables - related parties	54,022	23,453
Payables for royalties	37,999	23,886
Refund liabilities (Note 21)	31,746	62,690
Payables for purchases of intangible assets	7,123	17,614
Others	<u>115,172</u>	<u>84,788</u>
	<u>\$ 351,780</u>	<u>\$ 329,998</u>
<u>Non-current</u>		
Payables for purchases of intangible assets	\$ -	\$ 3,839
Payables on machinery and equipment	<u>-</u>	<u>1,870</u>
	<u>\$ -</u>	<u>\$ 5,709</u>

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Under this plan, employees should receive either a series of pension payments with a defined annuity or a lump sum that is payable immediately on retirement and is equivalent to 2 base units for each of the first 15 years of service and 1 base unit for each year of service thereafter. The total retirement benefit is subject to a maximum of 45 units. The pension benefits are calculated on the basis of the length of service and average monthly salaries of the six month before retirement. In addition, the Company makes monthly contributions, equal to 2% of salaries, to a pension fund, which is administered by a fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name and are managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

According to the letter of Zhuhuanzi No. 1120004593 and No. 1110001802 issued by the Hsinchu Science Park Administration of the Ministry of Science and Technology, the Company ceased its retirement fund contribution temporarily from January 1, 2023 to December 31, 2023 and January 1, 2022 to December 31, 2022.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	\$ 117,746	\$ 136,396
Fair value of plan assets	<u>(158,259)</u>	<u>(168,389)</u>
Net defined benefit assets	<u>\$ (40,513)</u>	<u>\$ (31,993)</u>

Movements in net defined benefit assets were as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Assets Arising from Defined Benefit Obligation
Balance at January 1, 2022	\$ 162,318	\$ 166,871	\$ (4,553)
Service cost			
Current service cost	346	-	346
Interest expense (income)	<u>811</u>	<u>835</u>	<u>(24)</u>
Recognized in profit or loss	<u>1,157</u>	<u>835</u>	<u>322</u>
Remeasurement			
Return on plan assets	-	13,475	(13,475)
Actuarial gain-changes in financial assumptions	(9,552)	-	(9,552)
Actuarial gain-experience adjustment	<u>(4,735)</u>	<u>-</u>	<u>(4,735)</u>
Recognized in other comprehensive income	<u>(14,287)</u>	<u>13,475</u>	<u>(27,762)</u>
Benefits paid	<u>(12,792)</u>	<u>(12,792)</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 136,396</u>	<u>\$ 168,389</u>	<u>\$ (31,993)</u>
Balance at January 1, 2023	\$ 136,396	\$ 168,389	\$ (31,993)
Service cost			
Current service cost	103	-	103
Interest expense (income)	<u>1,705</u>	<u>2,105</u>	<u>(400)</u>
Recognized in profit or loss	<u>1,808</u>	<u>2,105</u>	<u>(297)</u>
Remeasurement			
Return on plan assets	-	(407)	407
Actuarial gain-experience adjustments	<u>(4,607)</u>	<u>-</u>	<u>(4,607)</u>
Recognized in other comprehensive income	<u>(4,607)</u>	<u>(407)</u>	<u>(4,200)</u>
Benefits paid	<u>(15,851)</u>	<u>(11,828)</u>	<u>(4,023)</u>
Balance at December 31, 2023	<u>\$ 117,746</u>	<u>\$ 158,259</u>	<u>\$ (40,513)</u>

An analysis by function of the amounts recognized in profit or loss in respect of the benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
Operating costs	\$ (53)	\$ 53
Selling and marketing expenses	(7)	9
General and administrative expenses	(84)	99
Research and development expenses	<u>(153)</u>	<u>161</u>
	<u>\$ (297)</u>	<u>\$ 322</u>

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2023	2022
Discount rate(s)	1.25%	1.25%
Expected rate(s) of salary increase	4.00%	4.00%
Resignation rate	0%-28%	0%-28%

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

	December 31	
	2023	2022
Discount rate(s)		
0.25% increase	<u>\$ (2,483)</u>	<u>\$ (3,077)</u>
0.25% decrease	<u>\$ 2,563</u>	<u>\$ 3,184</u>
Expected rate(s) of salary increase		
1% increase	<u>\$ 10,478</u>	<u>\$ 13,213</u>
1% decrease	<u>\$ (9,449)</u>	<u>\$ (11,783)</u>

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

	December 31	
	2023	2022
The expected contributions to the plan for the next year	\$ <u> -</u>	\$ <u> -</u>
The average duration of the defined benefit obligation	10.2 years	11 years

20. EQUITY

a. Share capital

1) Ordinary shares:

	December 31	
	2023	2022
Shares authorized (in thousands of shares)	<u>1,200,000</u>	<u>1,200,000</u>
Value of authorized shares	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>591,995</u>	<u>591,995</u>
Shares issued and fully paid	<u>\$ 5,919,949</u>	<u>\$ 5,919,949</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and a right to dividends.

Of the Company's authorized shares, 80,000 thousand shares have been reserved for the issuance of subscription warrants, preferred shares with warrants, or corporate bonds with warrants.

2) Global depositary receipts

In March 2001, the Company issued 20,000 thousand units of global depositary receipts (GDRs), representing 40,000 thousand ordinary shares that consisted of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (ticker: SUPD) with an issuance price of US\$9.57 per unit.

On August 12, 2022, the board of directors proposed to cease the trading of Company's issued ordinary shares on the London Stock Exchange in the form of GDRs. The termination agreement was completed on November 10, 2022, and the GDRs termination listing procedure was completed on the London Stock Exchange.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
From the business combinations	\$ 92,448	\$ 138,032
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	297,845	297,845
		(Continued)

	December 31	
	2023	2022
<u>May only be used to offset a deficit</u>		
From treasury share transactions	\$ 57,435	\$ 55,298
Changes in percentage of ownership interests in subsidiaries (2)	461,302	475,546
Changes in net equity of associates accounted for using the equity method	<u>251,901</u>	<u>230,652</u>
	<u>\$ 1,160,931</u>	<u>\$ 1,197,373</u>
		(Concluded)

- 1) When the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).
 - 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.
- c. Retained earnings and dividends policy

The shareholders' meeting resolved the Company's Articles of Association on June 8, 2022. Under the dividends policy as set forth in the amended Articles, when the Company makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit. Though this limitation is not applicable when the legal reserve has reached the total capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. However, the ratio of earnings to provide distribution and the ratio of shareholders' cash dividends may depend on the current year. The actual profit and capital status shall be adjusted by the resolution of the shareholders' meeting. The total number of shareholders' dividends based on the annual surplus shall be distributed at the rate of not less than 10% of the newly added distributable surplus for the year, but shall not be distributed when the annual surplus is less than 1% of the paid-in capital. The aforementioned cash dividends shall not be less than 10% of the total dividends to be distributed to shareholders.

For the policies on the distribution of employees' compensation and remuneration to directors and supervisors before and after amendment, refer to Note 22-g.

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

The appropriations of earnings for 2022 and 2021 approved in the shareholders' meeting on June 13, 2023 and June 8, 2022, as follows:

	For Year 2022	For Year 2021
Legal reserve	<u>\$ 27,902</u>	<u>\$ 124,955</u>
Reversal of special reserve	<u>\$ 58,521</u>	<u>\$ 21,875</u>
Cash dividend	<u>\$ 309,613</u>	<u>\$ 1,146,102</u>
Cash dividend per share (NT\$)	\$ 0.523	\$ 1.936

The Company's shareholders also proposed in the shareholders' meeting on June 13, 2023 and June 8, 2022 to issue cash dividends from capital surplus of \$45,584 thousand and \$37,888 thousand.

The deficit compensation proposal for 2023 in the board of directors meeting proposed on March 13, 2024 as follows:

**For the Year
2023**

Reversal of special reserve \$ 56,523

The deficit compensation proposal is subject to resolution in the shareholders' meeting to be held on June 12, 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	2022
Beginning at January 1	\$ 239,203	\$ 261,078
Reversed of special reserve	<u>(58,521)</u>	<u>(21,875)</u>
Balance at December 31	<u>\$ 180,682</u>	<u>\$ 239,203</u>

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (136,477)	\$ (259,512)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	12,510	81,686
Share from associates accounted for using the equity method	(39,826)	29,332
Disposal of subsidiaries	<u>(26,377)</u>	<u>12,017</u>
Balance at December 31	<u>\$ (190,170)</u>	<u>\$ (136,477)</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (44,206)	\$ 20,309
Recognized for the year		
Unrealized gain - equity instruments	61,278	-
Share from subsidiaries accounted for using the equity method	33,192	(5,975)
Share from associates accounted for using the equity method	15,747	(21,952)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(36,588)</u>
Balance at December 31	<u>\$ 66,011</u>	<u>\$ (44,206)</u>

f. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2023 and December 31, 2023	<u>-</u>	<u>3,560</u>	<u>3,560</u>
Number of shares at January 1, 2023 and December 31, 2023	<u>-</u>	<u>3,560</u>	<u>3,560</u>

31, 2022

The Company's shares held by its subsidiaries at the end of the reporting periods were as follows:

	Number of Shares Held (In Thousand)	Carrying Amount	Market Price
<u>December 31, 2023</u>			
Lin Shin Investment	3,560	<u>\$ 63,401</u>	<u>\$ 122,286</u>
<u>December 31, 2022</u>			
Lin Shin Investment	3,560	<u>\$ 63,401</u>	<u>\$ 79,744</u>

The shares of the Company held by its subsidiaries were treated as treasury shares. The subsidiaries can exercise shareholder's right on these treasury shares, except for the right to subscribe for the Company's new shares and voting rights

21. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from the sale of goods	\$ 1,074,109	\$ 1,294,215
Other	<u>58,376</u>	<u>86,826</u>
	<u>\$ 1,132,485</u>	<u>\$ 1,381,041</u>

a. Contract information

Revenue from the sale of goods

IC products are sold to agents and customers. The Company determines the sales price of products based on orders. It takes into consideration the past purchases of agents and customers in order to estimate the most likely discount amount and return rate. Based on the determination of revenue, the Company recognizes the amount and the liabilities for refunds (accounted for as other current liabilities).

Other

Other income mainly comes from software development and royalties.

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables (Note 9)	\$ <u>148,866</u>	\$ <u>185,771</u>	\$ <u>270,155</u>
Contract liabilities - current	\$ <u>8,439</u>	\$ <u>14,027</u>	\$ <u>11,960</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Company's performance and the respective customer's payment.

c. Disaggregation of revenue

	Reportable Segments	
	Direct Sales	
	2023	2022
<u>Primary geographical markets</u>		
Asia	\$ 862,254	\$ 1,086,956
Taiwan	270,231	251,490
Others	<u>-</u>	<u>42,595</u>
	<u>\$ 1,132,485</u>	<u>\$ 1,381,041</u>
<u>Timing of revenue recognition</u>		
Satisfied at a point in time	\$ 1,122,010	\$ 1,371,864
Satisfied over time	<u>10,475</u>	<u>9,177</u>
	<u>\$ 1,132,485</u>	<u>\$ 1,381,041</u>

22. NET (LOSS) PROFIT

Net (loss) profit of the Company's continuing operations as included the following items:

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	\$ 3,866	\$ 1,669
Others	<u>725</u>	<u>131</u>
	<u>\$ 4,591</u>	<u>\$ 1,800</u>

b. Other income

	For the Year Ended December 31	
	2023	2022
Rental income	\$ 34,096	\$ 38,205
Government grant income (Note 25)	1,091	43,624
Dividends income	2,853	78,400
Others	<u>17,296</u>	<u>26,025</u>
	<u>\$ 55,336</u>	<u>\$ 186,254</u>

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Fair value changes of financial assets and financial liabilities		
Gain (loss) on financial assets at FVTPL (Note 7)	\$ 94,024	\$ (207,514)
Service income of management support	27,980	25,524
Gain on disposal of subsidiaries	19,485	73,962
Net foreign exchange gains (losses)	12,136	(2,259)
Impairment loss recognized on financial asset	(6,009)	(6,826)
Impairment loss recognized on non-financial asset	-	(457)
Gain on disposal of investments accounted for using equity method	<u>-</u>	<u>449,000</u>
	<u>\$ 147,616</u>	<u>\$ 331,430</u>

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	\$ 24,574	\$ 9,684
Interest on lease liabilities	4,078	4,119
Other financial costs	<u>1,608</u>	<u>172</u>
	<u>\$ 30,260</u>	<u>\$ 13,975</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	\$ 5,155	\$ 4,837
Operating expenses	<u>188,551</u>	<u>154,231</u>
	<u>\$ 193,706</u>	<u>\$ 159,068</u>
An analysis of amortization by function		
Operating costs	\$ 237	\$ 165
Operating expenses	<u>83,605</u>	<u>96,106</u>
	<u>\$ 83,842</u>	<u>\$ 96,271</u>

f. Employee benefit expense

For the Year Ended December 31

	2023	2022
Short-term benefits	\$ 524,610	\$ 580,183
Post-employment benefits (Note 19)		
Defined contribution plans	22,545	22,739
Defined benefit plans	<u>(297)</u>	<u>322</u>
	22,248	23,061
Other employee benefits	<u>16,445</u>	<u>16,297</u>
Total employee benefits expense	<u>\$ 563,303</u>	<u>\$ 619,541</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 34,444	\$ 34,643
Operating expenses	<u>528,859</u>	<u>584,898</u>
	<u>\$ 563,303</u>	<u>\$ 619,541</u>

g. Employees' compensation and remuneration of directors

The Company resolved amendments to its Articles of Incorporation to distribute employees' compensation and remuneration to directors at rates of no less than 1% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors. The Company didn't pay employees' compensation and remuneration of directors for the years ended December 31, 2023, as the company had suffered in the loss. The employees' compensation and remuneration of directors for the years ended December 31, 2022, which have been approved by the Company's board of directors on March 15, 2023, respectively, are as follows:

Accrual rate

	For the Year Ended December 31 2022
Employees' compensation	1.00%
Remuneration of directors	1.50%

Amount

	For the Year Ended December 31, 2022	
	Cash	Shares
Employees' compensation	\$ 2,216	\$ -
Remuneration of directors	3,325	-

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the parent financial statements for the years ended December 31, 2022 and 2021.

Information on compensation of employees and remuneration of directors resolved by the Sunplus' board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on exchange rate changes

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	\$ 36,766	\$ 49,308
Foreign exchange losses	<u>(24,630)</u>	<u>(51,567)</u>
Net gain (loss)	<u>\$ 12,136</u>	<u>\$ (2,259)</u>

23. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	\$ 8	\$ 194
Deferred tax		
In respect of the current year	<u>-</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 8</u>	<u>\$ 194</u>

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

	For the Year Ended December 31	
	2023	2022
(Loss) profit before tax	<u>\$ (493,139)</u>	<u>\$ 214,075</u>
Income tax expense calculated at the statutory rate	\$ (98,628)	\$ 42,815
Tax effect of adjusting items:		
Nondeductible expenses	-	1,087
Non-taxable gains	(83,366)	(219,169)
Tax-exempt income	-	(15,180)
Temporary differences	<u>45,820</u>	<u>88,880</u>
Current income tax expense	(136,174)	(101,567)
Unrecognized loss carryforwards	136,174	101,567
Foreign income tax expense	<u>8</u>	<u>194</u>
Income tax expense recognized in profit or loss	<u>\$ 8</u>	<u>\$ 194</u>

b. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Depreciation expense	\$ 7,243	\$ 2,819	\$ 10,062
Exchange losses (gains)	2,128	(1,916)	212
Others	<u>(6,886)</u>	<u>(903)</u>	<u>(7,789)</u>
	<u>\$ 2,485</u>	<u>\$ -</u>	<u>\$ 2,485</u>

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Depreciation expense	\$ 1,409	\$ 5,834	\$ 7,243
Exchange losses (gains)	1,237	891	2,128
Others	<u>(161)</u>	<u>(6,725)</u>	<u>(6,886)</u>
	<u>\$ 2,485</u>	<u>\$ -</u>	<u>\$ 2,485</u>

c. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the parent company only balance sheets

	December 31	
	2023	2022
Loss carryforwards		
Expiry in 2023	\$ 1,144,831	\$ 1,144,831
Expiry in 2027	10,909	10,909
Expiry in 2029	329,899	329,899
Expiry in 2030	48,825	48,825
Expiry in 2031	5,675	5,675
Expiry in 2033	<u>217,504</u>	<u>-</u>
	<u>\$ 1,757,643</u>	<u>\$ 1,540,139</u>
Deductible temporary differences	<u>\$ 336,127</u>	<u>\$ 147,757</u>

d. Unused loss carryforwards and tax exemptions

Loss carryforwards as of December 31, 2023:

Unused Amount	Expiry Year
\$ 1,144,831	2023
10,909	2027
329,899	2029
	(Continued)

Unused Amount	Expiry Year
\$ 48,825	2030
5,675	2031
<u>217,504</u>	2033
<u>\$ 1,757,643</u>	
	(Concluded)

e. Income tax assessments

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

24. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	2023	2022
Basic earnings per share	\$ <u>(0.84)</u>	\$ <u>0.37</u>
Diluted earnings per share	\$ <u>(0.84)</u>	\$ <u>0.37</u>

The (loss) earnings and weighted average number of ordinary shares outstanding in the computation of (loss) earnings per share were as follows:

Net profit for the year

	<u>For the Year Ended December 31</u>	
	2023	2022
(Loss) earnings used in the computation of basic earnings per share	\$ (493,147)	\$ 215,899
Effect of potentially dilutive ordinary shares		
Bonuses for employees	<u>-</u>	<u>-</u>
(Loss) earnings used in the computation of diluted EPS	\$ <u>(493,147)</u>	\$ <u>215,899</u>

Weighted average number of ordinary shares outstanding (in thousand shares):

	<u>For the Year Ended December 31</u>	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per shares	588,435	588,435
Effect of potential dilutive ordinary shares:		
Employee bonuses	<u>-</u>	<u>184</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>588,435</u>	<u>588,619</u>

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

25. GOVERNMENT GRANTS

The Company applied for the AI on Chip R&D subsidy program from the Ministry of Economic Affairs, and the “Shared Intelligent Computing Chiplet Architecture R&D Program” was reviewed and approved on November 20, 2020. The approved subsidy amounted to \$115,356 thousand, which ended on May 31, 2023. As of December 31, 2023 and 2022, the accumulated subsidies received were \$115,356 thousand and \$104,131 thousand, respectively. The amounts of the recognized subsidy income for the year ended December 31, 2023 and 2022 was \$1,020 thousand and \$43,516 thousand. In addition, the Company has a special account for subsidies in accordance with regulations. The monthly withdrawal amount shall be withdrawn according to the monthly expenditure summary statement, and the withdrawal amount shall not be higher than the expenditure amount. The payment of the designated account for grants has completed at program ended and complete the obligations in accordance with the contract.

26. DISPOSAL OF SUBSIDIARIES - WITH LOSS OF CONTROL

The Company completed the liquidation of Sunplus mMobile Inc, Russell and Sunplus Technology (H.K.) Co., Ltd on June 15, July 24 and December 1, 2023 respectively. The Company then lost control of these subsidiaries.

The Company completed the disposal of GenKi Tek Technology Co., Ltd. and Magic Sky on June 20, June 22, 2022 respectively; it also completed the liquidation of Jsilicon Technology, Co., Ltd., Giant Kingdom Ltd. and Giant Best Ltd. on August 30 and September 5, 2022 respectively. The Company then lost the control of these subsidiaries.

For related details, please refer to the Note 30 to the Company’s consolidated financial statements for the year ended December 31, 2023.

27. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

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

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

28. FINANCIAL INSTRUMENTS

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

The management of the Company considers that the fair values of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic/foreign listed shares	\$ 120,792	\$ -	\$ -	\$ 120,792
Mutual funds	35,087	-	-	35,087
Limited partnership	-	-	274,039	274,039
Domestic/foreign unlisted shares	-	-	263,738	263,738
	<u>\$ 155,879</u>	<u>\$ -</u>	<u>\$ 537,777</u>	<u>\$ 693,656</u>
Financial assets at FVTOCI				
Domestic/foreign unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,766</u>	<u>\$ 91,766</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 54,475	\$ -	\$ -	\$ 54,475
Mutual funds	4,645	-	-	4,645
Limited partnership	-	-	6,183	6,183
Domestic/foreign unlisted shares	-	-	269,823	269,823
	<u>\$ 59,120</u>	<u>\$ -</u>	<u>\$ 276,006</u>	<u>\$ 335,126</u>

There were no transfers between Levels 1 and 2 in the year ended December 31 2023 and 2022.

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

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2023	\$ 276,006	\$ -	\$ 276,006
Recognized in profit or loss	94,220	-	94,220
Recognized in other comprehensive income	-	61,279	61,279
Purchases	23,157	15,290	38,447
Proceeds from remaining property of the liquidation of subsidiaries	264,394	15,197	279,591
Refund of shares through capital reduction of the investee company	<u>(120,000)</u>	<u>-</u>	<u>(120,000)</u>
Balance at December 31, 2023	<u>\$ 537,777</u>	<u>\$ 91,766</u>	<u>\$ 629,543</u>

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
------------------	------------------------------	-------------------------------	-------

Balance at January 1, 2022	\$ 515,261	\$ -	\$ 515,261
Recognized in profit or loss	(214,483)	-	(214,483)
Purchases	82,392	-	82,392
Disposals	<u>(107,164)</u>	<u>-</u>	<u>(107,164)</u>
Balance at December 31, 2022	<u>\$ 276,006</u>	<u>\$ -</u>	<u>\$ 276,006</u>

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

The fair values of unlisted shares were determined using the market method based on the transaction price of comparable targets. Based on the financial information of the target company and market peers, the Company analyze and evaluate by market multipliers such as price-earnings ratio, price-to-net value ratio, market-value-to-revenue ratio or other financial ratios. The material unobservable inputs are as follows. When the price-to-net value ratio increases, the market-to-revenue ratio increases, or the liquidity discount decreases, the fair value of these investments will increase.

The fair values of unlisted shares and limited partnership were determined using the asset-based approach. The Company assesses that the amount of its net assets attributable to its investment approaches the fair value of the equity investment. The Company assesses the total value of the individual assets and liabilities covered by the target to reflect the overall value of the business.

c. Categories of financial instruments

	<u>December 31</u>	
	2023	2022
<u>Financial assets</u>		
FVTPL	\$ 693,656	\$ 335,126
FVTOCI	91,766	-
Financial assets at amortized cost (1)	661,825	773,264
<u>Financial liabilities</u>		
Measured at amortized cost (2)	1,298,227	1,219,208

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables, other financial assets and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise accounts payable, current portion of long-term bank borrowings, long-term borrowings and guarantee deposits.

d. Financial risk management objectives and policies

The Company's major financial instruments included mutual funds, equity investments, trade receivables, accounts payable, borrowings and lease liability. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporate Treasury function reported quarterly to the Company's risk management committee.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Company entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

a) Foreign currency risk

A part of the Company's cash flows is in foreign currency, and the use by management of derivative financial instruments is for hedging adverse changes in exchange rates, not for profit.

For exchange risk management, each foreign-currency item of net assets and liabilities is reviewed regularly. In addition, before obtaining foreign loans, the Company considers the cost of the hedging instrument and the hedging period.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period, please refers to Note 31.

Sensitivity analysis

The Company was mainly exposed to the USD and RMB.

The following table details the Company sensitivity to a US\$1.00 and RMB1.00 increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity analysis considers the currencies of USD and RMB in circulation, and adjusts the end-of-term conversion to exchange rate change of \$1.00. The sensitivity analysis covers cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets, long-term and short-term loans, accounts payable, other accounts payable and deposit margins. A positive (negative) amount below indicates an increase (decrease) in pre-tax profit (loss) when the NTD strengthened (weakened) by USD\$1.00 and RMB1.00 against the relevant currency at the end of the reporting period.

	USD Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	\$ (5,375)	\$ (6,975)

	RMB Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	\$ (139)	\$ 10,836

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 240,500	\$ 16,343
Financial liabilities	165,077	170,246
Cash flow interest rate risk		
Financial assets	214,514	485,921
Financial liabilities	1,200,000	1,000,000

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. Basis points of 0.125% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates increased/decreased by 0.125% and all other variables held constant, the Company's post-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by \$1,232 thousand and \$643 thousand, respectively.

c) Other price risk

The Company was exposed to price risk through its investments in financial assets at FVTPL and FVTOCI. The Company does not actively trade these investments.

The sensitivity analyses below was determined based on the exposure to price risks of financial assets at FVTPL and FVTOCI at the end of the reporting period.

If the prices of financial assets at FVTPL had been 1% higher/lower, the post-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by \$6,937 thousand and \$3,351 thousand, respectively.

If the prices of financial assets at FVTOCI had been 1% higher/lower, the other comprehensive income after tax for the years ended December 31, 2023 and 2022 would have increased/decreased by \$918 thousand and \$0, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company is arising from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk was significantly reduced.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

The Company's concentration of credit risk of 82% and 94% in total trade receivables as of December 31, 2023 and 2022, respectively, was related to the five largest customers within the property construction business segment. The Company believed that the concentration of credit risk is relatively insignificant for the remaining accounts receivables.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In

addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized overdraft and financing facilities refer to the following instruction (b) Financing facilities.

a) Liquidity and interest rate risk tables

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

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 140,002	\$ 38,142	\$ 1,200	\$ -	\$ -
Lease liabilities	771	1,541	6,935	33,385	189,261
Variable interest rate liabilities	1,323	40,074	230,221	929,705	-
Fixed interest rate liabilities	<u>-</u>	<u>-</u>	<u>650</u>	<u>3,420</u>	<u>30,705</u>
	<u>\$ 142,096</u>	<u>\$ 79,757</u>	<u>\$ 239,006</u>	<u>\$ 966,510</u>	<u>\$ 219,966</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 9,247</u>	<u>\$ 33,385</u>	<u>\$ 40,831</u>	<u>\$ 38,127</u>	<u>\$ 30,690</u>	<u>\$ 79,613</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing Lease liabilities	\$ 205,618	\$ 48,847	\$ 48	\$ -	\$ -
Variable interest rate liabilities	771	1,541	6,935	34,467	197,427
Fixed interest rate liabilities	1,072	-	-	1,000,000	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,826</u>	<u>42,994</u>
	<u>\$ 207,461</u>	<u>\$ 50,388</u>	<u>\$ 6,983</u>	<u>\$1,038,293</u>	<u>\$ 240,421</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 9,247</u>	<u>\$ 34,467</u>	<u>\$ 40,831</u>	<u>\$ 40,155</u>	<u>\$ 30,690</u>	<u>\$ 85,751</u>

b) Financing facilities

	<u>December 31</u>	
	2023	2022
Unsecured bank overdraft facility, reviewed annually and payable on demand:		
Amount used	\$ 1,200,000	\$ 1,043,567
Amount unused	<u>1,936,230</u>	<u>1,548,835</u>
	<u>\$ 3,136,230</u>	<u>\$ 2,592,402</u>

29. TRANSACTIONS WITH RELATED PARTIES

a. Name and relationship of related parties

<u>Related Party Name</u>	<u>Related Party Category</u>
iCatch Technology	Associate
AutoSys (TW) Co., Ltd.	Associate (Note)
eNeural Technologies, Inc.	Associate
Jumplux Technology	Subsidiary
Generalplus Technology	Subsidiary
Sunplus Innovation Technology	Subsidiary
Genki Tek Technology Co., Ltd.	Subsidiary (the settlement was completed on June 20, 2022, and classified into non-related party)
Chongqing CQPlus1 Technology Co., Ltd. ("Chongqing CQPlus1")	Subsidiary
Sunplus Pro-tek (shenzhen) Co., Ltd.	Subsidiary
SunMedia Technology Co., Ltd.	Subsidiary

Note: A subsidiary of the Autosys Co., Ltd., an associate of the Company.

b. Sales of goods

Account Item	Related Party Type	For the Year Ended December 31	
		2023	2022
Sales of goods	Subsidiaries	\$ 13,708	\$ 14,769
	Associates	<u>2,282</u>	<u>3,270</u>
		<u>\$ 15,990</u>	<u>\$ 18,039</u>

Sales price to related parties is based on cost and market price. The sales terms to related parties were similar to those with external customers.

c. Purchases of goods

Account Item	Related Party	For the Year Ended December 31	
		2023	2022
Purchases of goods	Subsidiaries		
	Chongqing CQPlus1	<u>\$ 9,294</u>	<u>\$ 158,275</u>

Purchases were made at market prices and discounted to reflect the quantity of goods purchased and the relationships between the parties.

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

Account Item	Related Party	For the Year Ended December 31	
		2023	2022
Trade receivables, net	Subsidiaries	\$ 2,621	\$ 949
	Associates	<u>1,062</u>	<u>352</u>
		<u>\$ 3,683</u>	<u>\$ 1,301</u>
Other receivables	Subsidiaries	\$ 1,944	\$ 2,479
	Associates	<u>630</u>	<u>535</u>
		<u>\$ 2,574</u>	<u>\$ 3,014</u>

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment losses were recognized for trade receivables from related parties.

e. Payables from related parties

Account Item	Related Party	For the Year Ended December 31	
		2023	2022
Accounts payable	Subsidiaries	<u>\$ -</u>	<u>\$ 15,580</u>
Other payables	Subsidiaries	<u>\$ 54,022</u>	<u>\$ 23,453</u>
Prepaid materials	Subsidiaries	<u>\$ -</u>	<u>\$ 9,292</u>

f. Acquisition of property, plant and equipment

Related Party	For the Year Ended December 31	
	2023	2022
Subsidiaries	<u>\$ -</u>	<u>\$ 199</u>

g. Other transactions with related parties

For the Year Ended December 31

Account Item	Related Party Type	2023	2022
Manufacturing expenses	Subsidiaries	\$ 3,181	\$ 10,575
Operating expenses	Subsidiaries	\$ 216,315	\$ 82,004
Non-operating income and expenses	Subsidiaries Associates	\$ 14,891 <u>15,678</u>	\$ 11,583 <u>12,934</u>
		<u>\$ 30,569</u>	<u>\$ 24,517</u>
Guarantee deposit	Associates	\$ 666	\$ -

Miscellaneous expenses between the Company and the related parties were negotiated and were thus not comparable with those in the market.

Technical support services price between the Company and the related parties were negotiated and were thus not comparable with those in the market.

Administrative support services price and support services price between the Company and the related parties were negotiated and were thus not comparable with those in the market.

The pricing and the payment terms of the lease contract between the Company and the related parties were similar to those with external customers.

h. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 15,025	\$ 30,262
Post-employment benefits	<u>252</u>	<u>269</u>
	<u>\$ 15,277</u>	<u>\$ 30,531</u>

Compensation of directors and other key management personnel was decided by the Compensation Committee in accordance with individual performance and market trends.

30. PLEDGED OR MORTGAGED ASSETS

The following assets were mortgaged or pledged as collateral for bank borrowings and leased land:

	December 31	
	2023	2022
Buildings, net	\$ 518,128	\$ 537,529
Pledged time deposits (classified to other financial assets - non-current)	<u>10,500</u>	<u>12,343</u>
	<u>\$ 528,628</u>	<u>\$ 549,872</u>

31. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 8,388	30.705	\$ 257,554
CNY	6,592	4.327	28,524
JPY	153	0.217	33
GBP	3	39.150	117
HKD	10	3.929	39
<u>Financial liabilities</u>			
Monetary items			
USD	3,013	30.705	92,514
CNY	6,453	4.327	27,922

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 12,875	30.71	\$ 395,391
CNY	72	4.408	317
JPY	153	0.232	35
GBP	3	37.090	111
HKD	8	3.938	32
Nonmonetary items			
Investment subsidiaries accounted for using equity method			
USD	28,993	30.71	890,375
HKD	7	3.938	28
<u>Financial liabilities</u>			
Monetary items			
USD	5,900	30.71	181,189
CNY	10,908	4.408	48,082

For the years ended December 31, 2023 and 2022, (realized and unrealized) net foreign exchange gain (loss) were \$12,136 thousand and \$(2,259) thousand, respectively. It is impractical to disclose net foreign exchange gain (loss) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Company.

32. ADDITIONAL DISCLOSURES

- a. Information about significant transactions and investees and b. Information on investees:
- 1) Financings provided: Table 1
 - 2) Endorsement/guarantee provided: No.
 - 3) Marketable securities held: Table 2
 - 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 3
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: No.
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: No.
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: No.
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: No.
 - 9) Trading in derivative instruments: No.
- b. Information on investees:
- 1) Information on investee: Table 4
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: (Table 5)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 6)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
 - c) The amount of property transactions and the amount of the resultant gains or losses.

- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 7

Except for Table 1 to Table 7, there's no further information about other significant transactions.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
1	Sunplus Shanghai Technology Co., Ltd	SunMedia	Receivables from related parties	Yes	\$ 362,295	\$ 326,256	\$ 326,256	1.80%	Note 1	\$ -	Note 2	\$ -	-	\$ -	\$ 425,476 (Note 5)	\$ 425,476 (Note 5)
2	Sunplus Venture Capital Co., Ltd	SunMedia	Receivables from related parties	Yes	50,672	-	-	-	Note 1	-	Note 3	-	-	-	585,134 (Note 6)	585,134 (Note 6)
3	Lin Shin Investment Co., Ltd	SunMedia	Receivables from related parties	Yes	186,963	61,410	61,410	4.15%	Note 1	-	Note 4	-	-	-	398,907 (Note 7)	398,907 (Note 7)

Note 1: Short-term financing.

Note 2: Sunplus Shanghai Technology Co., Ltd provided funds for the operating needs of SunMedia

Note 3: Sunplus Venture Capital Co., Ltd provided funds for the operating needs of SunMedia.

Note 4: Lin Shin Investment Co., Ltd provided funds for the operating needs of SunMedia.

Note 5: Sunplus Shanghai Technology Co., Ltd and the loans are all foreign companies whose parent company directly and indirectly holds 100% of the voting shares. When the short-term financing funds need to be engaged in capital lending, the capital loan and the individual amount and total amount should not exceed the capital loan. The enterprise's net worth should not exceed to 60%, and its period should not exceed more than 2 years.

Note 6: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Sunplus Venture Capital Co., Ltd's net equity as of its latest financial statements.

Note 7: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Lin Shin Investment Co., Ltd's net equity as of its latest financial statements.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

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

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note	
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Sunplus	PineBridge Global ESG Quantitative Bond Fund	-	Financial assets at FVTPL - current	542,594	\$ 4,979	-	\$ 4,979	Note 3	
	Nomura Taiwan Money Market Fund	-	Financial assets at FVTPL - current	1,499,784	25,113	-	25,113	Note 3	
	Nomura Global Short Duration Bond Fund	-	Financial assets at FVTPL - current	467,959	4,995	-	4,995	Note 3	
	Triknights Capital Corporation	-	Financial assets at FVTPL - non-current	28,841,800	263,738	5	263,738	Note 1	
	Intudo Ventures II,L.P.	-	Financial assets at FVTPL - non-current	-	179,463	6	179,463	Note 1	
	Intudo Ventures III,L.P.	-	Financial assets at FVTPL - non-current	-	25,037	1	25,037	Note 1	
	Tesla, Inc.	-	Financial assets at FVTPL - non-current	4,433	33,822	-	33,822	Note 2	
	AMED Ventures I,L.P.	-	Financial assets at FVTPL - non-current	-	18,220	2	18,220	Note 1	
	Intudo Istimewa II, LLC	-	Financial assets at FVTPL - non-current	-	15,338	7	15,338	Note 1	
	Intudo Istimewa I, LLC	-	Financial assets at FVTPL - non-current	-	15,259	14	15,259	Note 1	
	AMED Ventures II,L.P.	-	Financial assets at FVTPL - non-current	-	16,328	1	16,328	Note 1	
	Vertex Growth II (SG) L.P.	-	Financial assets at FVTPL - non-current	-	4,394	-	4,394	Note 1	
	Foxtron Vehicle Technologies Co., Ltd.	-	Financial assets at FVTPL - non-current	1,950,000	86,970	-	86,970	Note 2	
	Innobridge Venture Fund I,L.P.	-	Financial assets at FVTPL - non-current	-	-	-	-	Note 1	
	eYs3D Microelectronics, Inc.	-	Financial assets at FVTOCI - non-current	1,190,476	15,310	1	15,310	Note 1	
	AnHorn Holdings Inc.	-	Financial assets at FVTOCI - non-current	581,396	76,456	2	76,456	Note 1	
	GeneOne Diagnostics Corporation	-	Financial assets at FVTOCI - non-current	1,709,974	-	13	-	Note 1	
	Lin Shin Investment	Airoha Technology Corp.	-	Financial assets at FVTPL - current	60,000	34,620	-	34,620	Note 2
		Syncomm Technology Corp.	-	Financial assets at FVTPL - current	500,000	18,350	-	18,350	Note 2
		LOTES Co., Ltd.	-	Financial assets at FVTPL - current	10,000	10,700	-	10,700	Note 2
Gloria Material Technology Corp.		-	Financial assets at FVTPL - current	150,000	7,328	-	7,328	Note 2	
Evergreen Aviation Technologies Corporation		-	Financial assets at FVTPL - current	575,000	62,387	-	62,387	Note 2	
Mercuries F&B Co., Ltd.		-	Financial assets at FVTPL - current	350,000	33,516	-	33,516	Note 2	
Bora Pharmaceuticals Co., Ltd. - Convertible Bond III		-	Financial assets at FVTPL - current	70,000	8,106	-	8,106	Note 2	
Gold Circuit Electronics Ltd. - Convertible Bond II		-	Financial assets at FVTPL - current	80,000	9,120	-	9,120	Note 2	
Sercomm Corp. - Convertible Bonds VII		-	Financial assets at FVTPL - current	110,000	12,133	-	12,133	Note 2	
Horizon Securities Co., Ltd. - Convertible Bond II		-	Financial assets at FVTPL - current	50,000	5,035	-	5,035	Note 2	
Yulon Finance Corporation - Convertible Bond II		-	Financial assets at FVTPL - current	150,000	15,255	-	15,255	Note 2	
Enterex International Limited - Convertible Bond		-	Financial assets at FVTPL - current	30,000	-	-	-	Note 1	
Genius Vision Digital Inc.		-	Financial assets at FVTPL - non-current	300,000	-	1	-	Note 1	
Li Shen Zhi-Lian L.P.		-	Financial assets at FVTPL - non-current	1,000,000	37,304	11	37,304	Note 1	
AI3 Co.	-	Financial assets at FVTPL - non-current	33,130	431	1	431	Note 1		
Prime Rich International Co., Ltd.	-	Financial assets at FVTOCI - non-current	33,000	1,790	-	1,790	Note 1		
Sunplus	Parent company	-	Financial assets at FVTOCI - non-current	3,559,996	122,286	1	122,286	Note 2	

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note	
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Sunplus Venture Capital	Jih Sun Vietnam Opportunity Fund	-	Financial assets at FVTPL - current	500,000	\$ 4,090	-	\$ 4,090	Note 3	
	Eastspring Investments India Balanced Fund	-	Financial assets at FVTPL - current	67,996	3,307	-	3,307	Note 3	
	Lin BioScience, Inc.	-	Financial assets at FVTPL - current	150,000	17,016	-	17,016	Note 2	
	GIGA-BYTE Technology Co., Ltd.	-	Financial assets at FVTPL - current	80,000	21,280	-	21,280	Note 2	
	ASE Technology Holding Co., Ltd.	-	Financial assets at FVTPL - current	60,000	8,100	-	8,100	Note 2	
	Shinfox Energy Co., Ltd. - Convertible Bond	-	Financial assets at FVTPL - current	50,000	5,610	-	5,610	Note 2	
	Genius Vision Digital Inc.	-	Financial assets at FVTPL - non-current	375,000	-	1	-	Note 1	
	V5 Technologies Co., Ltd.	-	Financial assets at FVTPL - non-current	12,014,712	127,501	7	127,501	Note 1	
	eWave System, Inc.	-	Financial assets at FVTPL - non-current	1,833,333	-	22	-	Note 1	
	Book4u Co., Ltd	-	Financial assets at FVTPL - non-current	9,375	-	-	-	Note 1	
	Simple Act Inc.	-	Financial assets at FVTPL - non-current	1,900,000	-	10	-	Note 1	
	Huijia Health Life Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	1,049,000	1,650	5	1,650	Note 1	
	Foryou Venture Capital Limited Partnership	-	Financial assets at FVTPL - non-current	5,000,000	69,415	10	69,415	Note 1	
	Foryou Private Equity Limited Partnership	-	Financial assets at FVTPL - non-current	-	38,981	5	38,981	Note 1	
	San Neng Group Holdings Co., Ltd.	-	Financial assets at FVTPL - non-current	900,000	36,630	1	36,630	Note 2	
	Raynergy Tek Inc.	-	Financial assets at FVTPL - non-current	5,690,500	37,330	12	37,330	Note 1	
	CDIB Capital Growth Partners L.P.	-	Financial assets at FVTPL - non-current	-	103,161	2	103,161	Note 1	
	TIEF fund I L.P.	-	Financial assets at FVTPL - non-current	-	46,583	7	46,583	Note 1	
	Intudo Ventures I, L.P.	-	Financial assets at FVTPL - non-current	-	103,541	8	103,541	Note 1	
	TGVest Capital Limited Partnership	-	Financial assets at FVTPL - non-current	-	99,102	5	99,102	Note 1	
	Intelligo Technology Inc.	-	Financial assets at FVTPL - non-current	336,502	12,240	1	12,240	Note 1	
	Pacific 8 Ventures Fund II, L.P.	-	Financial assets at FVTPL - non-current	-	10,639	2	10,639	Note 1	
	Cerulean Capital Corporation Limited Partnership	-	Financial assets at FVTPL - non-current	-	23,799	11	23,799	Note 1	
	CSVI Ventures, L.P.	-	Financial assets at FVTPL - non-current	-	28,512	2	28,512	Note 1	
	Feature Integration Technology Inc.	-	Financial assets at FVTOCI - non-current	602,020	43,105	2	43,105	Note 2	
	Innorich Venture Capital Corp.	-	Financial assets at FVTOCI - non-current	3,000,000	17,052	6	17,052	Note 1	
	Protect Life International Biomedical Inc.	-	Financial assets at FVTOCI - non-current	469,110	1,570	3	1,570	Note 1	
	Promise Technology Inc.	-	Financial assets at FVTOCI - non-current	962,000	12,362	1	12,362	Note 2	
	Neuchips Inc. - preference shares	-	Financial assets at FVTOCI - non-current	585,000	21,821	1	21,821	Note 1	
	Neuchips Inc.	-	Financial assets at FVTOCI - non-current	2,100,000	47,900	2	47,900	Note 1	
	Wei-Young Investment	Feedback Technology Corp.	-	Financial assets at FVTPL - current	50,000	4,775	-	4,775	Note 2
		ChipMOS Technologies Inc.	-	Financial assets at FVTPL - current	700,000	29,575	-	29,575	Note 2
Sunplus Shanghai	GF Money Market Fund B	-	Financial assets at FVTPL - current	11,400,000	49,657	-	49,657	Note 3	
	GF Daily Income Money Market Fund B	-	Financial assets at FVTPL - current	5,480,000	24,214	-	24,214	Note 3	
	GF Huo Qi Bao Money Market Fd B	-	Financial assets at FVTPL - current	8,340,000	36,120	-	36,120	Note 3	
Generalplus Technology	Ready Sun Investment Group Fund	-	Financial assets at FVTPL - non-current	-	40,151	16	40,151	Note 1	
	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at FVTPL - current	1,934,557	20,556	-	20,556	Note 3	
	Yuanta De-Li Money Market Fund	-	Financial assets at FVTPL - current	2,568,841	43,068	-	43,068	Note 3	
Sunplus Innovation Technology	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	10,133,835	141,291	-	141,291	Note 3	
	Taishin Ta Chong Money Market Fund	-	Financial assets at FVTPL - current	11,733,616	171,417	-	171,417	Note 3	
	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at FVTPL - current	8,764,601	141,140	-	141,140	Note 3	
	CTBC Hwa-win Money Market Fund	-	Financial assets at FVTPL - current	7,962,421	90,096	-	90,096	Note 3	
	Advanced NuMicro System, Inc.	-	Financial assets at FVTOCI - non-current	2,000,000	-	8	-	Note 1	
	PointGrab Ltd.	-	Financial assets at FVTOCI - non-current	453,193	-	1	-	Note 1	
Giant Rock Inc.	Xiamen Xm-plus Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	11,150,000	218,167	13	218,167	Note 1	
Chongqing CQPLus1	Vicoretek Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	142,487	8	142,487	Note 1	

(Continued)

Note 1: The market value was based on the carrying amount as of December 31 2023.

Note 2: The market value was based on the closing price as of December 31, 2023.

Note 3: The market value was based on the net asset value of the fund as of December 31, 2023.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)			Ending Balance		
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Generalplus Technology Inc.	Yuanta De-Li Money Market Fund	Financial assets at FVTPL - current	-	-	12,855,130	\$ 213,002	20,897,176	\$ 348,000	31,183,465	\$ 520,000	\$ 517,842	\$ 2,158	2,568,841	\$ 43,068

Note 1: Marketable Securities in this table include shares, bonds, beneficiary certificates and derivative products.

Note 2: Fill in the two columns if marketable securities are accounted for using equity method.

Note 3: The accumulated amount of acquisition/disposal were calculated at costs or prices of at least NT\$300 million or 20% of the paid-in capital separately.

Note 4: Paid-in capital is the paid-in capital of the parent company Shares of issuers without par value or not NT\$10 per share are calculated according to 10% of total equity attributable to owners of the Company regarding the regulation on transaction amount of 20% of paid-in capital.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership (%)	Carrying Amount			
Sunplus	Ventureplus Group Inc.	Belize	Investment	\$ 2,454,740 (US\$ 74,605 RMB\$ 37,900)	\$ 2,454,740 (US\$ 74,605 RMB\$ 37,900)	80,821,284	100	\$ 1,728,967	\$ 53,636	\$ 59,393	Subsidiary
	Award Glory Inc.	Belize	Investment	322,577 (US\$ 7,072 RMB\$ 24,366)	290,272 (US\$ 7,072 RMB\$ 16,900)	9,566,874	100	310,129	(87,133)	(87,133)	Subsidiary
	Global View Co., Ltd.	New Taipei, Taiwan	Consumer electronics, components and rental of buildings	315,658	315,658	8,229,457	13	324,338	64,208	8,388	Investee
	Lin Shin Investment Co., Ltd.	Hsinchu, Taiwan	Investment	699,988	699,988	70,000,000	100	874,981	118,601	116,466	Subsidiary
	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324,304	34	715,498	167,985	57,620	Subsidiary
	Sunplus Venture Capital Co., Ltd.	Hsinchu, Taiwan	Investment	1,109,982	829,982	123,748,800	100	1,462,835	68,758	68,758	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	273,941	273,941	29,265,751	50	1,171,070	427,789	215,355	Subsidiary
	Russell Holdings Limited	Cayman Islands, British West Indies	Investment	-	926,830 (US\$ 30,185)	-	-	-	4,658	4,658	Subsidiary (Note 3)
	iCatch Technology Inc.	Hsinchu, Taiwan	Design of ICs	127,345	127,345	12,734,546	13	276,717	(64,498)	(9,841)	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	407,565	407,565	22,440,723	90	22,553	(126)	(114)	Subsidiary
	Sunplus Management Consulting Co., Ltd.	Hsinchu, Taiwan	Management	5,000	5,000	500,000	100	3,027	(166)	(166)	Subsidiary
	Sunplus Technology (H.K.) Co., Ltd.	Kowloon Bay, Hong Kong	International trade	-	43,514 (HK\$ 11,075)	-	-	-	-	-	Subsidiary (Note 4)
	Sunplus mMobile Inc.	Hsinchu, Taiwan	Design of ICs	-	2,596,792	-	-	-	(15,000)	(15,000)	Subsidiary (Note 2)
	Wei-Young Investment Co., Ltd.	Hsinchu, Taiwan	Investment	140,157	70,157	12,400,000	100	116,175	8,016	8,016	Subsidiary
	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	132,000	132,000	13,200,000	55	31,750	51,533	28,343	Subsidiary
	AKiraNet Co., Ltd.	Taipei, Taiwan	Information software service	174,000	174,000	17,400,000	17	84,102	(454,737)	(88,910)	Investee
	DeepLux Technology, Inc.	America	Design of ICs	3,071 (US\$ 100)	-	3,806	25	3,217	834	174	Investee
	Wisilicon Innovation Co., Ltd	Hsinchu, Taiwan	Design of ICs	13,500	-	3,000,000	38	8,440	3,171	(5,060)	Investee
	AutoSys Co., Ltd.	Cayman Islands, British West Indies	Investment	76,763 (US\$ 2,500)	-	5,000,000	16	64,783	(38,239)	(3,701)	Investee (Note 3)
	Lin Shin Investment Co., Ltd.	Generalplus Technology Inc.	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892,301	14	286,644	167,985	22,990
Sunplus Innovation Technology Inc.		Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,074,664	2	40,777	427,789	7,908	Subsidiary
iCatch Technology Inc.		Hsinchu, Taiwan	Design of ICs	9,645	9,645	964,545	1	22,758	(64,498)	(653)	Investee
Sunplus mMedia Inc.		Hsinchu, Taiwan	Design of ICs	19,408	19,408	650,185	3	5,317	(126)	(3)	Subsidiary
GlintMed Innovation Co., Ltd		Hsinchu, Taiwan	Investment management consultant	1,250	1,250	125,000	13	382	(1,677)	(210)	Investee
Sunplus Venture Capital Co., Ltd.	Jumplux Technology Co., Ltd.	Hsinchu, Taiwan	Design of ICs	101,000	101,000	10,100,000	42	24,291	51,533	21,685	Subsidiary
	Sunplus Innovation Technology Inc.	Hsinchu, Taiwan	Design of ICs	60,588	60,588	2,923,513	5	117,978	427,789	21,513	Subsidiary
	iCatch Technology Inc.	Hsinchu, Taiwan	Design of ICs	33,439	33,439	3,331,818	4	78,612	(64,498)	(2,255)	Investee
	Sunplus mMedia Inc.	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909,092	8	365	(126)	(10)	Subsidiary
	ENeural Technologies, Inc	Hsinchu, Taiwan	Software service	37,500	-	15,000,000	35	35,103	(13,244)	(4,455)	Investee
	GlintMed Innovation Co., Ltd	Hsinchu, Taiwan	Investment management consultant	1,250	1,250	125,000	12	382	(1,677)	(210)	Investee
Russell Holdings Limited	Autosys Co., Ltd.	Cayman Islands, British West Indies	Investment	-	76,763 (US\$ 2,500)	-	-	-	(38,239)	(2,511)	Investee (Note 3)

Ventureplus Group Inc.	Ventureplus Mauritius Inc.	Mauritius	Investment	2,454,740 (US\$ 74,605 RMB\$ 37,900)	2,454,740 (US\$ 74,605 RMB\$ 37,900)	8,082,129	100	1,757,803	53,636	53,636	Subsidiary
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	2,454,740 (US\$ 74,605 RMB\$ 37,900)	2,454,740 (US\$ 74,605 RMB\$ 37,900)	80,821,284	100	1,757,781	53,636	53,636	Subsidiary
Generalplus Technology Inc.	Generalplus International (Samoa) Inc.	Samoa	Investment	586,158 (US\$ 19,090)	586,158 (US\$ 19,090)	19,090,000	100	535,806	13,719	13,719	Subsidiary
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	586,158 (US\$ 19,090)	586,158 (US\$ 19,090)	19,090,000	100	543,232	13,719	13,719	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership (%)	Carrying Amount			
Generalplus (Mauritius) Inc.	Generalplus Technology (Hong Kong) Co., Inc.	Hong Kong	Marketing	\$ 11,975 (US\$ 390)	\$ 11,975 (US\$ 390)	-	100	\$ 9,922	\$ (1,598)	\$ (1,598)	Subsidiary
Award Glory Ltd.	Sunny Fancy Ltd.	Seychelles	Investment	322,577 (US\$ 7,072 RMB\$ 24,366)	290,272 (US\$ 7,072 RMB\$ 16,900)	9,566,874	100	310,129	(87,133)	(87,133)	Subsidiary
Sunny Fancy Ltd.	Giant Rock Inc.	Anguilla	Investment	188,335 (US\$ 2,700 RMB\$ 24,366)	156,030 (US\$ 2,700 RMB\$ 16,900)	5,194,948	100	216,175	(73,395)	(73,395)	Subsidiary
	Worldplus Holdings L.L.C.	America	Investment	110,538 (US\$ 3,600)	110,538 (US\$ 3,600)	100	100	93,760	(13,708)	(13,708)	Subsidiary

Note 1: The initial exchange rate was based on the exchange rate as of December 31, 2023.

Note 2: The liquidation of Sunplus mMobile Inc. was completed on June 15, 2023.

Note 3: The liquidation completion date is scheduled of Russell Holdings Limited For July 24, 2023, its investor company, AutoSys Co., Ltd., continues to hold by Sunplus.

Note 4: The liquidation of Sunplus Technology (H.K.) Co., Ltd. was completed on December 1, 2023.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Gain (Loss) (Note 2)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Sunplus Shanghai Technology Co., Ltd	Software development, customer technical services, leasing business and property management	\$ 528,126 (US\$ 17,200)	Note 1	\$ 542,097 (US\$ 17,655)	\$ -	\$ -	\$ 542,097 (US\$ 17,655)	100	\$ 52,202	\$ 52,202	\$ 709,127	\$ -
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Software development, customer technical services, leasing business, property management and corporate management	990,236 (US\$ 32,250)	Note 1	990,236 (US\$ 32,250)	-	-	990,236 (US\$ 32,250)	100	12,389	12,389	746,624	-
SunMedia Technology Co., Ltd.	Software development, customer technical services, leasing business and property management	614,100 (US\$ 20,000)	Note 1	614,100 (US\$ 20,000)	-	-	614,100 (US\$ 20,000)	100	(10,675)	(10,675)	194,397	-
Beijing Sunplus Aipu Technology Co., Ltd	Electronic component sales and information management education services	168,753 (RMB\$ 39,000)	Note 1	168,573 (US\$ 586 RMB\$ 34,800)	-	-	168,573 (US\$ 586 RMB\$ 34,800)	100	(944)	(923)	1,442	-
Beijing Sunplus EHue Tech Co., Ltd.	Software development, customer technical services, leasing business and property management	116,829 (RMB\$ 27,000)	Note 1	116,829 (RMB\$ 27,000)	-	-	116,829 (RMB\$ 27,000)	100	1,450	1,450	53,080	-
Worldplus Technology (Shenzhen) Co., Ltd	Software development, building rental and property management	82,382 (RMB\$ 19,039)	Note 4	110,538 (US\$ 3,600)	-	-	110,538 (US\$ 3,600)	100	(12,376)	(13,708)	47,911	-
Chongqing CQPlus1	Development of computer software, IC design	173,080 (RMB\$ 40,000)	Note 3	-	-	-	-	100	(954)	(101)	171,679	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023 (Notes 5 and 6)	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 2,724,638 (US\$ 79,872 RMB 62,900)	\$ 2,729,732 (US\$ 80,052 RMB 62,800)	\$ 5,091,131

Sunplus Venture Capital Co., Ltd.

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023 (Note 6)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 94,786 (US\$ 3,087)	\$ 94,786 (US\$ 3,087)	\$ 877,701

Lin Shin Investment Co., Ltd.

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023 (Note 7)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 28,586 (US\$ 931)	\$ 28,586 (US\$ 931)	\$ 598,360

(Continued)

Generalplus Technology Inc. (Nature of Relationship: 1)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	% Ownership of Direct or Indirect Investment	Net Income of the investee	Investment Gain (Note 2)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Generalplus Shenzhen Co., Ltd	Design of ICs, after sales service and marketing research	\$ 574,184 (US\$ 18,700)	Note 1	\$ 574,184 (US\$ 18,700)	\$ -	\$ -	\$ 574,184 (US\$ 18,700)	100	\$ 15,317	\$ 15,317	\$ 533,290	\$ -

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 574,184 (US\$ 18,700)	\$ 574,184 (US\$ 18,700)	\$ 1,268,485

Note 1: Indirect investment in a company located in mainland China through investment in a company located in a third country.

Note 2: Based on the auditors' financial statements of investees in the same period.

Note 3: Sunplus prof-tek (Shenzhen) reinvested in a company located in mainland China.

Note 4: It is a company located in mainland China that acquired the investment of the third regional investment company on September 2, 2019.

Note 5: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs includes the investment business of Xiamen Xm-plus Technology Co., Ltd. in mainland China, and is included in the financial assets at FVTPL-non-current.

Note 6: Due to the adjustment of the organizational structure of the Group, the Company obtained the approval of the Investment Review Committee of the Ministry of Economic Affairs to invest in the equity of Xiamen Xm-plus Technology Co., Ltd. On October 18, 2023. The Company remitted RMB 7,466 thousand on November 30, 2023. Part of the equity originally held by Sunplus Shanghai was changed to Giant Rock Inc., the amount of which did not include RMB 7,466 thousand.

Note 7: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs includes the investment business of Sanneng Group Holding Company in mainland China, and CSVI Ventures, L.P., and is included in the financial assets at FVTPL-non-current.

Note 8: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs includes the investment business of Arizon RFID Technology (Cayman) Co., Ltd. in mainland China, and is included in the financial assets at FVTPL-current.

Note 9: The original foreign currency was derived from the exchange rate on December 31, 2023.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

Investee Company	Transaction Type	Research and Development Expense		Price	Transaction Details		Notes/Trade Receivables (Payables)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Market Transactions	Ending Balance	%		
Generalplus Shenzhen Co., Ltd	Development and processing services	\$ 76,124	16.65	Based on contract	Based on contract	Not comparable with market transactions	\$ 21,195	89.28	\$ -	NA
	Sales	77,990	3.70	Based on contract	Based on contract	Not comparable with market transactions	15,210	4.19	57	NA
Chongqing CQPlus1	Purchases	9,294	4.31	Based on contract	Based on contract	Not comparable with market transactions	-	-	5,757	NA
	Manufacturing expense	3,181	1.34	Based on contract	Based on contract	Not comparable with market transactions	-	-	-	NA
SunMedia Technology Co., Ltd	Development and processing services	103,542	7.76	Based on contract	Based on contract	Not comparable with market transactions	(26,085)	48.31	-	NA
Sunplus Prof-tek (Shenzhen) Technology Co., Ltd	Processing services	110,665	8.30	Based on contract	Based on contract	Not comparable with market transactions	(27,921)	51.69	-	NA

SUNPLUS TECHNOLOGY COMPANY LIMITED**INFORMATION OF MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chou-chye, Huang	92,737,817	15.66

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

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

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SUNPLUS TECHNOLOGY COMPANY LIMITED**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Item	Amount
Cash	
Cash in banks	
Currency deposits	\$ 125,314
Time deposits (Note 1)	240,500
Foreign deposits (Note 2)	89,200
Cash on hand (Note 3)	<u>381</u>
	455,395
Less: Restricted assets	<u>10,500</u>
 Total	 <u>\$ 444,895</u>

Note 1: NTD\$240,500 thousand Time deposits, interest rates at 0.0055%-1.5750%.

Note 2: Including US\$1,977 thousand @30.705, HKD\$6 thousand @3.929, GBP\$0.3 thousand @39.150 JPY\$43 thousand @0.217 and RMB\$6,573 thousand @4.327.

Note 3: Including NTD\$100 thousand, HKD\$5 thousand @3.929, JPY\$110 thousand @0.217, US\$2 thousand @30.705, EUR\$0.3 thousand @33.980, GBP\$2 thousand @39.150 and RMB\$18 thousand @4.327.

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS
DECEMBER 31, 2023

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

Item	Units (Thousand)	Cost	Fair Value		Note
			Unit Price	Amount	
Mutual funds					
Nomura Taiwan Money Market Fund	1,500	\$ 25,038	16.7443	\$ 25,113	Note 1
Nomura Global Short Duration Bond Fund	468	5,000	10.6737	4,995	Note 1
PineBridge Global ESG Quantitative Bond Fund	543	5,000	9.1772	<u>4,979</u>	Note 1
				<u>35,087</u>	
Domestic unlisted shares					
Triknight Capital Corporation	28,842	172,850	9.14	<u>263,738</u>	Note 2
Domestic listed shares					
Foxtron Vehicle Technologies Co., Ltd.	1,950	99,840	44.60	<u>86,970</u>	Note 3
Foreign listed shares					
Tesla, Inc.	4	30,723	7,629.58	<u>33,822</u>	Note 3
Foreign limited partnership					
Intudo Ventures II,L.P.	-	189,598	-	179,463	Note 2
Intudo Ventures III,L.P.	-	33,045	-	25,037	Note 2
AMED Ventures I,L.P.	-	18,679	-	18,220	Note 2
AMED Ventures II,L.P.	-	15,603	-	16,328	Note 2
Intudo Istimewa II, LLC	-	15,403	-	15,338	Note 2
Intudo Istimewa I, LLC	-	15,323	-	15,259	Note 2
Vertex Growth II (SG) L.P.	-	8,668	-	4,394	Note 2
Innobridge Venture Fund I,L.P.	-	-	-	<u>-</u>	Note 2
				<u>274,039</u>	
Less: Current assets				<u>(35,087)</u>	
				<u>\$ 658,569</u>	

Note 1: The market value was based on the net asset value of the fund as of December 31, 2023.

Note 2: The market value was based on the carrying amount as of December 31 2023.

Note 3: The market value was based on the closing price of December 31, 2023.

SUNPLUS TECHNOLOGY COMPANY LIMITED**STATEMENT OF TRADE RECEIVABLES, NET****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Client Name	Amount
Trade receivables from related parties	
Jumplux Technology	\$ 1,923
iCatch Technology	1,062
Generalplus Technology	<u>698</u>
	<u>3,683</u>
Trade receivables from unrelated parties	
Client A	61,384
Client B	30,834
Client C	21,463
Client D	16,888
Client E	8,518
Others (Note)	<u>6,096</u>
	<u>145,183</u>
 Total	 <u>\$ 148,866</u>

Note: The amount of individual clients that is included in others does not exceed 5% of the account balance.

SUNPLUS TECHNOLOGY COMPANY LIMITED**STATEMENT OF INVENTORIES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

	Item	Amount	
		Cost	Net Realizable Value
Finished goods		\$ 302,238	\$ 495,155
Work in progress		226,206	568,054
Raw materials		<u>70,396</u>	<u>82,407</u>
Total		<u>\$ 598,840</u>	<u>\$ 1,145,616</u>

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Investees	Balance, January 1, 2023		Additions		Decreases		Changes in Fair Value	Balance, December 31, 2023		Guarantee or Pledges	Note
	Shares (Thousand)	Fair Value	Shares (Thousand)	Amount	Shares (Thousand)	Amount		Shares (Thousand)	Fair Value		
Equity instruments											
Non-listed company's shares											
AnHorn Holdings Inc.	-	\$ -	581	\$ 15,290	-	\$ -	\$ 61,166	581	\$ 76,456	-	-
eYs3D Microelectronics, Inc.	-	-	1,190	15,197	-	-	113	1,190	15,310	-	Note
GeneOne Diagnostics Corporation	-	-	1,710	-	-	-	-	1,710	-	-	Note
		<u>\$ -</u>		<u>\$ 30,487</u>		<u>\$ -</u>	<u>\$ 61,279</u>		<u>\$ 91,766</u>		

Note: The Russell had been liquidated in July 24, 2023 and the financial assets at fair value through other comprehensive income - non-current transfer its accounts to the Company.

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023

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

	Balance, January 1, 2023		Additions		Decreases		Increase (Decrease) Amount Evaluated by Equity Method					Balance, December 31, 2023			Net Assets Value	Note
	Shares (Thousand)	Amount	Shares (Thousand)	Amount	Shares (Thousand)	Amount	Investment (Loss) Gain	Exchange Differences Arising on Translation to the Presentation Currency	Transferred Capital Surplus	Fair Value Changes of Financial Assets at FVTOCI	Actuarial (Loss) Gain	Shares (Thousand)	%	Amount		
Global View Co., Ltd.	8,229	\$ 318,969	-	\$ -	-	\$ 16,459	\$ 8,388	\$ (2,306)	\$ -	\$ 15,746	\$ -	8,229	13	\$ 324,338	\$ 324,338	Note 1
Ventureplus Group	80,821	1,678,364	-	-	-	-	59,393	(31,594)	6	22,798	-	80,821	100	1,728,967	1,757,806	Note 1
Lin Shin Investment	70,000	814,218	-	-	-	55,419	116,466	(1,365)	1,876	(897)	102	70,000	100	874,981	874,981	Notes 1 and 3
Generalplus Technology	37,324	847,758	-	131	-	186,621	57,620	(3,422)	-	-	32	37,324	34	715,498	715,531	Note 1
Sunplus Venture Capital	83,000	1,103,338	40,749	280,000	-	-	68,758	-	1,417	9,011	311	123,749	100	1,462,835	1,462,835	Note 1
Sunplus Innovation Technology	29,266	1,165,423	-	-	-	204,867	215,355	-	(9,522)	4,720	(39)	29,266	50	1,171,070	1,171,070	Note 1
Russell	30,185	890,371	-	-	30,185	905,156	4,658	12,286	280	(2,439)	-	-	-	-	-	Notes 1 and 4
iCatch Technology	12,735	282,913	-	1,256	-	-	(9,841)	-	1,186	-	1,203	12,735	13	276,717	227,008	Note 1
Sunplus mMedia	22,441	22,667	-	-	-	-	(114)	-	-	-	-	22,441	90	22,553	9,891	Note 1
Wei-Young Investment	5,400	38,159	7,000	70,000	-	-	8,016	-	-	-	-	12,400	100	116,175	116,175	Note 1
AkiraNET Co., Ltd.	17,400	156,053	-	-	-	-	(88,910)	-	16,959	-	-	17,400	17	84,102	84,102	Note 1
Sunplus Management Consulting	500	3,193	-	-	-	-	(166)	-	-	-	-	500	100	3,027	3,027	Note 2
Sunplus Technology (H.K.)	11,075	28	-	-	11,075	30	-	2	-	-	-	-	-	-	-	Notes 1 and 5
Sunplus mMobile	16,240	29,043	-	-	16,240	14,043	(15,000)	-	-	-	-	-	-	-	-	Notes 1 and 6
Award Glory	9,567	368,974	-	32,740	-	-	(87,133)	(1,026)	(3,426)	-	-	9,567	100	310,129	310,129	Note 1
Jumplux Technology	13,200	3,407	-	-	-	-	28,343	-	-	-	-	13,200	55	31,750	31,750	Note 1
DeepLux Technology, Inc.	-	-	4	3,043	-	-	174	-	-	-	-	4	25	3,217	3,217	Note 1
AutoSys Co., Ltd.	-	-	5,000	68,010	-	-	(3,701)	109	365	-	-	5,000	16	64,783	64,783	Notes 1 and 4
Wisilicon Innovation	-	-	3,000	13,500	-	-	(5,060)	-	-	-	-	3,000	38	8,440	8,440	Note 1
Total		<u>\$7,722,878</u>		<u>\$ 468,680</u>		<u>\$1,382,595</u>	<u>\$ 357,246</u>	<u>\$ (27,316)</u>	<u>\$ 9,141</u>	<u>\$ 48,939</u>	<u>\$ 1,609</u>			<u>\$7,198,582</u>	<u>\$7,165,083</u>	

Note 1: The gains and losses of the investment and the net equity value are calculated according to the investees' financial statements which are audited by the accountant.

Note 2: The gains and losses of the investment and the net equity value are calculated according to the investees' financial statements which are unaudited by the accountant.

Note 3: The carrying amount and net value included deduction of the book value of the parent company's stock held by the subsidiary in the amount of \$122,286 thousand.

Note 4: The liquidation completion date of Russell Holdings Limited was on July 24, 2023, the investment company, AutoSys Co., Ltd. continues to be held by Sunplus.

Note 5: The liquidation of Sunplus Technology (H.K.) was completed on December 1, 2023.

Note 6: The dissolution of Sunplus mMobile was completed on February 28, 2022. The liquidation was completed on June 15, 2023.

SUNPLUS TECHNOLOGY COMPANY LIMITED**STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS AND STATEMENT OF CHANGES IN
ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

	Land	Transportation Equipment	Total
Cost			
Balance at January 1, 2023 and December 31, 2023	<u>\$ 183,568</u>	<u>\$ 3,026</u>	<u>\$ 186,594</u>
Accumulated depreciation			
Balance at January 1, 2023	\$ 22,908	\$ 336	\$ 23,244
Depreciation	<u>5,655</u>	<u>1,009</u>	<u>6,664</u>
Balance at December 31, 2023	<u>\$ 28,563</u>	<u>\$ 1,345</u>	<u>\$ 29,908</u>
Carrying amount at December 31, 2023	<u>\$ 155,005</u>	<u>\$ 1,681</u>	<u>\$ 156,686</u>

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF LONG-TERM BORROWINGS

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Creditor	Balance End of Year	Period	Range of Interest Rates (%)	Financing Facilities	Repayment Method	Pledged or Mortgaged
Medium - to long-term credit borrowings						
Shanghai Commercial Bank	\$ 500,000	2022.11.18-2027.11.18	1.920	\$ 500,000	The loan is to be repaid quarterly-annually in 16 installments, with the first installment commencing in the second year after the first drawdown date.	-
Far Eastern International Bank	500,000	2022.09.02-2025.09.02	2.000	500,000	The loan is to be repaid semiannually from September 2024, in 3 installments, 1 & 2 installment repay 20% respectively, and the balance will be paid on final installment.	-
Mega International Commercial Bank Co., Ltd.	150,000	2023.01.10-2028.01.10	2.050	150,000	The first instalment is the date on which expiration of the grace period, it's to be repaid quarterly-annually in 17 installments and interest payable on a monthly basis.	-
Taipei Fubon Commercial Bank Co., Ltd.	<u>50,000</u>	2023.09.19-2026.06.30	2.266	<u>400,000</u>	The first installment will start from the expiration date of the grace period, and there will be one installment every three months thereafter, with 5% repayment in each installment, and the rest will be fully repaid on the maturity date, with interest calculated monthly.	Buildings carrying amount of NT\$518,128 thousand
	1,200,000					
Less: Current portion	<u>(270,295)</u>			<u>\$ 1,550,000</u>		
	<u>\$ 929,705</u>					

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF ACCOUNTS PAYABLE

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

	Vendor Name	Amount
Unrelated parties		
	Supplier A	\$ 20,883
	Supplier B	12,025
	Supplier C	7,647
	Supplier D	6,817
	Supplier E	6,040
	Supplier F	4,919
	Others (Note)	<u>5,121</u>
		<u>\$ 63,452</u>

Note: The amount of individual vendor in others does not exceed 5% of the account balance.

SUNPLUS TECHNOLOGY COMPANY LIMITED**STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Item	Lease Term	Discount Rate	Amount
Land	2015.08-2034.12	2.390%	\$ 75,572
Land	2002.06-2041.12	2.390%	64,162
Land	2021.01-2040.12	2.390%	23,611
Transportation Equipment	2022.09-2025.08	1.625%	1,732
Less: Lease liabilities - current			<u>(5,316)</u>
Lease liabilities -non-current			<u>\$ 159,761</u>

SUNPLUS TECHNOLOGY COMPANY LIMITED**STATEMENT OF NET REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Item	Quantity	Unit	Amount
Multimedia IC	11,440	Thousand	\$ 1,158,407
Other			<u>58,376</u>
			1,216,783
Sales allowance			(73,226)
Sales return			<u>(11,072)</u>
			<u>\$ 1,132,485</u>

SUNPLUS TECHNOLOGY COMPANY LIMITED**STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Item	Amount
Raw material, beginning of year	\$ 332,886
Raw material purchased	215,541
Transferred to expenses	(3,173)
Raw materials, end of year	<u>(70,396)</u>
Raw materials used	474,858
Direct labor	4,344
Manufacturing expenses	<u>238,175</u>
Manufacturing costs	717,377
Work in progress, beginning of year	330,795
Transferred to expenses	(6,387)
Work in progress, end of year	<u>(226,206)</u>
Cost of finished goods	815,579
Finished goods, beginning of year	313,938
Transferred to expenses	(901)
Finished goods, end of year	<u>(302,238)</u>
 Total	 <u>\$ 826,378</u>

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF OPERATING EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses
Royalty	\$ 34,638	\$ -	\$ 425
Marketing expense	12,194	-	-
Salary	4,860	77,716	373,788
Commission expense	1,687	-	-
Depreciation	381	39,221	148,949
Professional service fees	4	15,015	1,720
Amortization	-	1,659	81,946
Design fee	-	-	31,436
Service fee	-	-	216,326
Others	<u>32,592</u>	<u>48,584</u>	<u>210,634</u>
Total	<u>\$ 86,356</u>	<u>\$ 182,195</u>	<u>\$ 1,065,224</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31					
	2023			2022		
	Classified as Operating Cost	Classified as Operating Expenses	Total	Classified as Operating Cost	Classified as Operating Expenses	Total
Labor cost						
Salary	\$ 28,619	\$ 456,364	\$ 484,983	\$ 28,766	\$ 505,386	\$ 534,152
Labor and health insurance	2,891	34,558	37,449	2,967	37,606	40,573
Pension	1,438	20,811	22,249	1,496	21,565	23,061
Remuneration of directors	-	2,177	2,177	-	5,458	5,458
Others	1,496	14,948	16,444	1,414	14,883	16,297
Total	<u>\$ 34,444</u>	<u>\$ 528,858</u>	<u>\$ 563,302</u>	<u>\$ 34,643</u>	<u>\$ 584,898</u>	<u>\$ 619,541</u>
Depreciation	<u>\$ 5,155</u>	<u>\$ 188,551</u>	<u>\$ 193,706</u>	<u>\$ 4,837</u>	<u>\$ 154,231</u>	<u>\$ 159,068</u>
Amortization	<u>\$ 237</u>	<u>\$ 83,605</u>	<u>\$ 83,842</u>	<u>\$ 165</u>	<u>\$ 96,106</u>	<u>\$ 96,271</u>

Note 1: For the years ended December 31, 2023 and 2022, the Company had 349 and 353 employees on average, respectively, which included 6 directors who did not serve concurrently as employees for both years.

Note 2: Companies whose stocks are listed on the stock exchange or listed on the stock counter trading center should disclose the following information:

- 1) The average employee welfare expense for the current year is \$1,636 thousand (“Total employee welfare expenses for the current year-Total directors’ remuneration”/“Number of employees for the current year-Number of directors who are not concurrent employees”).

The average employee welfare expense for the current year is 1,770 thousand (“Total employee welfare expenses for the current year-Total directors’ remuneration”/“Number of employees for the current year-Number of directors who are not concurrent employees”).

- 2) The average employee salary expenses for the current year is \$1,414 thousand (the total salary expenses for the current year/“the number of employees in the current year-the number of directors who are not part-time employees”).

The average employee salary expenses for the current year is \$1,539 thousand (the total salary expenses for the current year/“the number of employees in the current year-the number of directors who are not part-time employees”).

- 3) Changes in the average employee salary expense adjustment (8)% (“Average employee salary expense for the current year-Average employee salary expense for the previous year”/Average employee salary expense for the previous year).

- 4) The Company has established the Audit Committee on 2015, so it has no supervisor in 2023 and 2022.

- 5) Compensation and Remuneration Policy.

a. Remuneration of directors is paid at prevailing rates according to the “Directors’ Remuneration and Travel Allowance Policy of the Company”. When the Company make a profit, the compensation and remuneration of directors is accrued and reviewed by the compensation committee and the board of directors according to the Company’s compensation and remuneration policy. The compensation arrangement shall be reported in the shareholders’ meeting.

b. The compensation and remuneration of the President and Vice Presidents of the Company is determined in accordance with the Company’s Performance Management Policy. Executives’ compensation packages are based on individual performance and their contribution to the Company’s overall performance with benchmarking to market compensation surveys. The compensation committee shall review the KPIs and measurements, followed by performance appraisal, and consequently reward the executives with the approval of the board of directors.

c. The Company’s remuneration policy takes into account the staff’s professional seniority, work performance, goal achievement, major contributions, etc. The director of the center completes the performance appraisal, which is divided into excellent, good, competent, and qualitative comments for improvement, which are approved by the chief executive officer.

6.6 If the Company and Its Affiliated Companies Encountered Difficulties in Financial Turnover in the Most Recent Year and up to the Date of Publication of the Annual Report, the Impact on the Company's Financial Position Shall be Specified: None

7. Financial Analysis

7.1 Financial Status

7.1.1 Financial Analysis Comparison 2022 vs. 2023

The main reason and impact of significant changes in assets, liabilities, and equity in the last two years. If the impact is significant, the future response plan should be explained.

Unit: NT\$K

Item	Year	2022	2023	Increase (Decrease)	
				Amount	YoY %
Current Assets		8,530,254	7,495,714	(1,034,540)	(12)
Property, Plant & Equipment		1,930,269	1,811,640	(118,629)	(6)
Intangible Assets		248,585	199,006	(49,579)	(20)
Other Assets		4,311,639	4,449,671	138,032	3
Total Assets		15,020,747	13,956,031	(1,064,716)	(7)
Current Liabilities		1,739,712	1,714,734	(24,978)	(1)
Non-Current Liabilities		1,546,107	1,442,016	(104,091)	(7)
Total Liabilities		3,285,819	3,156,750	(129,069)	(4)
Equity Attributed to Shareholder of the parent		9,262,088	8,485,219	(776,869)	(8)
Capital Stock		5,919,949	5,919,949	-	-
Capital Surplus		1,197,373	1,160,931	(36,442)	(3)
Retained Earnings		2,388,850	1,591,899	(796,951)	(33)
Equity : Others		(183,683)	(124,159)	59,524	(32)
Treasury Stock		(63,401)	(63,401)	-	-
Minor interest		2,472,840	2,314,062	(158,778)	(6)
Total Shareholder's Equities		11,734,928	10,799,281	(935,647)	(8)

Analysis of increase and decrease changes:

1. The decrease in intangible assets was mainly due to the expiration of the service life of some intangible assets this year.
2. The decrease in retained earnings was mainly due to the increase in net loss after tax this year.
3. The increase in other equity was mainly due to the increase in unrealized evaluation benefits of financial assets measured at fair value through other comprehensive gains and losses during the year.

7.2 Financial Performance

7.2.1 Financial Analysis Comparison 2022 vs. 2023

The main reasons for major changes in operating income, operating profit and pre-tax net profit in the last two years.

Unit: NT\$K

Item	Year	2022	2023	Increase (decrease)	
				Amount	YoY %
Net Sales		6,705,708	5,535,421	(1,170,287)	(17)
Gross Profit		3,300,767	2,524,245	(776,522)	(24)
Income (Loss) From Operating		287,890	(247,354)	(535,244)	(186)
Non-Operating Income (Expense)		594,460	161,184	(433,276)	(73)
Income (Loss) Before Tax		882,350	(86,170)	(968,520)	(110)
Income (Loss) From Operations of Continued Segments		670,457	(221,273)	(891,730)	(133)
Net Revenue (Loss) for the period		670,457	(221,273)	(891,730)	(133)
Other Comprehensive Income (Loss) for the period		113,394	87,665	(25,729)	(23)
Total Comprehensive Profit (Loss) for the period		783,851	(133,608)	(917,459)	(117)

Analysis of increase and decrease changes:

1. The decrease in operating gross profit was mainly due to the decrease in revenue this year.
2. The decrease in operating net profit was mainly due to the decrease in revenue this year.
3. The decrease in non-operating income and expenses was mainly due to the decrease in the interests of equity method companies during the current year. To.
4. The decrease in net profit before tax and net profit after tax for the current period is mainly due to the decrease in operating profit and non-operating income this year. To.
5. The decrease in other comprehensive gains and losses for the current period is mainly due to the exchange difference in the translation of the financial statements of foreign operating institutions during the year. Due to the reduction in amount.
6. The total comprehensive profit and loss for the current period decreased, mainly due to the increase in net loss for the year.

7.2.2 Expected sales volume and its basis, possible impact on the company's future financial business and corresponding plans:

The company's business units make decisions based on sales forecasts of existing products, new product development progress, customer production demand forecasts, and business development strategies. The Company mainly uses long-term funding sources to finance capital expenditures, and there should be no significant impact of insufficient funds in the short term. Moreover, our company has a solid cooperative relationship with wafer foundries, packaging and testing manufacturers, so there should be no worries about the supply of products required for sales.

7.3 Cash Flow

Analysis of cash flow changes in the most recent year, improvement plan for insufficient liquidity, and analysis of cash flow in the coming year

7.3.1 Cash Flow Analysis Comparison 2022 vs. 2023

Unit: NT\$K

Item	Year	2022	2023	YoY %
Cash flow ratio		Note 1	64.12	-
Cash flow adequacy ratio		49.56	59.79	21
Cash flow reinvestment ratio		Note 2	2.01	-

1. The increase in the cash flow admissible ratio was mainly due to the increase in net cash flow from operating activities this year.

Note 1: The net cash flow from operating activities is negative, so it is not listed.

Note 2: The net cash flow from operating activities is less than the amount of cash dividends, so it is not listed.

7.3.2 Cash Flow Analysis for the Coming Year

Unit: NT\$K

Cash Balance, beginning of the year (1)	Net Cash Flow from Operating Activities (2)	Estimated net cash inflow (outflow) from investment and financing activities throughout the year (3)	Net Cash Balance (1)+(2)+(3)	Remedial Measure if cash not enough	
				Investment Plan	Finance Plan
\$4,091,218	997,732	(728,735)	4,360,215	-	-

1. Analysis of Cash Flow:

(1) Operating Activities: Cash flow in for the expected operating profit in 2024.

(2) Investing Activities: Cash flow in for the estimated purchase of fixed assets, IP technology licensing costs and R&D software.

(3) Financing Activities: Mainly due to expected repayment of bank loans and distribution of dividends, etc.

2. Remedies and Liquidity Analysis of Inadequate Cash: None.

7.4 Major Capital Expenditure

7.4.1 Major Capital Expenditure and Sources: None.

7.4.2 Benefits from the Capital Expenditure: None.

7.5 Long-Term Investment

If the amount of investment in this year does not exceed 5% of the paid-in capital, there is no major investment plan in the coming year.

7.6 Risk Management

7.6.1 The Impact of Inflation, Foreign Exchange and Interest Rate Fluctuation and Measures to Cope With:

1. **Interest Rate:** In view of the rapid changes in the overall economic conditions at home and abroad in recent years, and the governments of various countries adjusting the economic situation through interest rate policies, the interest rates have fluctuated. Usually, the financial unit collects relevant information on the trend of interest rate changes, and evaluates the feasible plan of interest rate hedging measures and its benefit evaluation, and regularly reports to the board of directors to reduce the impact of interest rate fluctuations on the company's profit and loss; in addition, the cash position on the account is excluded. In addition to continuing to use high-security time deposits as the main capital allocation, the decline in interest rates will have an adverse impact on the company's profits. We will seek short-term investments with higher returns and good safety to increase the overall investment return on funds.
2. The company's foreign currency assets are mainly US dollar fixed deposits and US dollar-denominated accounts receivable. Foreign currency liabilities are mainly US dollar-denominated accounts payable. Transaction pricing is also mostly based on US dollars. The appreciation of the New Taiwan dollar against the US dollar has a negative impact on revenue and Gross profit has been adversely affected. Currently, in addition to the natural hedging effect of assets and liabilities offsetting each other, measures such as increasing short-term U.S. dollar borrowings and reducing net U.S. dollar positions are being used to reduce the impact of exchange rate fluctuations on the company's profits and losses.
3. **Inflation:** International crude oil prices and various raw material prices fluctuate greatly, and under the adjustment of exchange rate and interest rate policies of central banks of various countries, the overall economic environment presents inflation or deflation. When consumption in the international market shrinks, it will relatively affect the shipments of high unit price consumer electronics products, which will have an adverse impact on the company's profits. However, the company still strives to develop high-growth emerging country markets to reduce the number of developed country markets. Growth is slowing down; and when the international market is in an inflationary trend, rising prices will easily lead to an increase in procurement costs, which will have a relatively negative impact on profits. However, the company will continue to introduce new products and cost reduction solutions to maintain profit levels, in order to reduce the impact of inflation on the company's profit and loss.

7.6.2 Internal Policies and Procedure Exist with Respect to High Risk/High Leveraged Investment, Lending/Endorsements and Guarantees for Other Parties, Financial Derivatives Transaction

1. There is no high risk/high leveraged investment.
2. The company has made and followed "Sub-procedure of Extension of Monetary Loans to Others", The loans are made with risk evaluation which follows the procedures. After the loan is granted, the Company follows and traces financial status, business and credit status of the borrower and guarantor frequently, and asks equal collaterals or takes proper actions to

secure.

3. The company has made and followed “Procedure of Endorsement and Guarantees”, and the Endorsement and Guarantees will only be made under well evaluation before granted.
4. The company has made and followed “Procedure of Engaging in Derivatives Trading “. The financial transactions of a derivatives nature that Sunplus enters into are strictly for hedging purposes and not for any trading or speculative purposes and under well evaluation.

7.6.3 R&D Plan and Execution

Sunplus will keep investing in research and development, therefore, the consolidated R&D costs will account for 25% ~ 26% of consolidated revenues.

Company	Plans to develop new products
Sunplus Technology	(1)Car infotainment system chip (2) Automotive smart cockpit system chip (3) Vehicle driving assistance system chip (4) Vehicle cabin acoustic system chip (5) Vehicle instrument platform (6) Intelligent immersive high-resolution audio chip (7) New integrated Bluetooth audio chip (8) Artificial Intelligence Voice Processing Audio Chip (9) The latest composite function wireless audio module (10)High-speed interface IP (11)High performance data converter IP (12) Analog IP (13)Visual AI chip (14) Generative AI acceleration chip
Generalplus Technology	(1)Consumer product line: A. New generation 16-bit μ nSP CPU speech synthesis control chip (a) Integrated microphone amplifier circuit and high-resolution digital audio amplifier circuit (b) Built-in SPU (Speech Processing Unit) to handle audio synthesis work (c) At the same time, the SPI interface is integrated, and SPI Flash memories of different sizes can be plugged in to quickly update the program code. B. New generation 16-bit μ nSP CPU LCD control chip (a) Ultra-low power consumption requirements, single battery voltage operation possible (b) Built-in Flash memory, which can quickly update program code (2) Multimedia product line: A. New generation 40nm multimedia application SoC (a) High-performance ARM9 CPU (b) Enhance image processing capabilities ISP (3D denoise, Contrast Enhancement) (c) Built-in deep learning IP independently developed by Lintong, which can support a variety of face/human figure/gesture recognition, green screen-free portrait back removal and background blurring, age conversion, cartoonization and other algorithm functions (d)DDR/DDR2 PHY interface B. Continue to develop Deep Learning algorithms to develop algorithms such as line of sight detection, human posture recognition, double back removal, double makeup, multi-object recognition, 3D object recognition, etc. to enhance existing driving recorders, game consoles, and children's cameras. additional value. (3) MCU product line: A. New generation 8/32-bit motor control/wireless

	charging MCU (a) Integrate high-speed operational amplifier and analog-to-digital converter to support brushless DC motor and wireless charging applications (b) Optimize peripheral circuits and provide customers with products that are more cost-effective than the previous generation. B. New generation 32-bit automotive LED light MCU (a) Integrate LIN BUS high-voltage circuit to meet AEC-Q100 automotive quality goals (b) Integrated LED drive circuit can directly drive LED light bars
Sunplus Innovation Technology	(1) Compliant with Windows Hello Human Presence laptop embedded 5M AI camera control chip (2) USB2.0 5M HDR/WDR image processing chip (3) Intelligent image detection function image processing chip with multiple detection
Jumplux Technology	(1) Front-mounted car-spec USB3.2 TYPE C MediaHUB IC (2) USB2.0 OTG MediaHUB IC

7.6.4 The impact of major policy and legal changes domestically and internationally on the company's financial business and countermeasures:

The company's daily operations are handled in accordance with relevant domestic and foreign laws and regulations, and it is always necessary to pay attention to the development of domestic and foreign policies and changes in laws and regulations, so as to fully grasp and respond to changes in the market environment. Changes in domestic and foreign policies and laws in recent years have not significantly affected the company's financial business.

7.6.5 The impact of technological changes (including information security risks) and industrial changes on the company's financial business and countermeasures:

The continuous development of semiconductor technology towards more precise manufacturing processes can certainly reduce the unit cost of IC chips, but it has greatly increased product research and development expenses. On the one hand, the company actively develops consumer multimedia products with high added value and in the mainstream market; on the other hand, it also develops niche automotive products with long product life cycles. One is to make full use of the advantages of advanced process technology that can reduce costs, and to share R&D costs with a large number of features in the mainstream market; the other is to share R&D costs with a longer product life cycle. In order to maintain the normal operation of the company's business and information services, and avoid internal and external deliberate or accidental threats, relevant operations and risks are reviewed on a rolling basis every year.

Assessing the destruction, leakage, and loss of operations, services, and data caused by hacker attacks is still the biggest risk affecting the confidentiality and availability of company information assets. In response to risks, the company continues to invest in updating the multi-layer defense structure and facilities, strengthen supervision, backup and restore drills to minimize risk losses.

Information Security Risks and Countermeasures

If there is a major risk, it will be reported to the executive meeting or directly reported to the management center supervisor or CEO.

Information Security Risks	Evaluation of Impact	Countermeasures	Performance
PC account password	Account hijacking, password cracking or disclosure. Identity fraud or data theft. Planting backdoors or	System passwords are mandatory to be changed every six months and complex passwords are adopted. While logging	Reduce the risk of password leakage. Logging in from outside the company requires two-factor

	malware.	externally, the company must pass MOTP authentication.	authentication.
Data breach	Data leakage caused by peripheral equipment or network file transfer.	If the information is sent out from the company, an application is required, and the data is sent out or copied to leave a record. Special equipment can only be used after application for approval.	Regularly generate reports for review by supervisors to reduce the risk of data leakage.
Computer anti-virus, anti-hacking and anti-ransomware	Get loss from malware abounds and encryption for ransom.	Update virus code, PC behavior control, email screening, add information notification IoC, network behavior control, data backup.	Multiple layers of defense. Propagate the three Don'ts and three Dos for preventing ransom every month. Reduce the risk of malware attacks.
System Update Bug Fixes	Avoid exploitation on bugs	Regular system updates; Vulnerability scan patching; Intelligence bug fixes.	Cooperate with manufacturers and information reports, update and adjust at any time.
Personal Information Permission	Too many permissions or expired	Review feedback and agreed by supervisors every six months.	The authority review has been processed by electronic process, and the report is sent to the supervisor for review.
Data Securities	Data destroyed by accident or malicious attack	System data backup, post-disaster recovery drill.	daily backup; regular recovery drill.
Internet security	Prevent network-side attacks	Employ multi-layered defense. The network and gateway side use the new generation IPS and FireWall. Use cloud technology to prevent next-generation attacks.	Use the cloud information security database to prevent zero-day attacks, and adopt physical and logical partitions according to work characteristics.
Email security	Avoid phishing emails, block malware, avoid man-in-the-middle attacks. Ransomware and other social engineering attacks emerge in endlessly, with various types and methods.	Spam, malware (ransomware) mail screening and filtering, feature comparison, black and white list control. DNS, mail verification.	The information department continues to reduce the risks of poisoning, forgery, and fraud technically. At the same time, we continue to publicize the three Don'ts and three Dos to prevent ransom every month.

7.6.6 Corporate Identify and Image Change

The company takes corporate image seriously. Being people-oriented and having integrity are our top priorities when running our business. We disclose our operation and financial statements to public periodically and transparently in order to save the rights of our shareholders.

7.6.7 Mergers & Acquisitions

None

7.6.8 Expansion of Facilities

None

7.6.9 Suppliers & Customers

The Company separately purchases raw materials from several different suppliers, encapsulation and testing of the foundry is also adopted scattered strategy, to ensure that the output is no problem. The Company's largest sales customers in 2023 and 2022 accounted for 16% and 15% of the total net revenue for the year, no sales focus on the risk of a single customer.

7.6.10 Major Shareholding Change

None

7.6.11 Ownership Change

None

7.6.12 Litigation Proceedings

None

7.6.13 Other Risks

The principle of the importance of corporate social responsibility, conduct risk assessment of important issues, and formulate relevant risk management policies or strategies based on the assessed risks:

Major Issue	Risk Assessment Projects	Risk Management Policies or Strategies
Environment	Environmental protection, Energy saving, and Carbon reduction	The company is committed to environmental protection and energy saving. Located in the upper reaches of the semiconductor industry, the company exerts its excellent R&D technology and continues to promote high-level semiconductor process technology to save chip energy consumption, thereby driving the use of power energy in downstream consumer electronics terminal products. Through the implementation of environmental management (EMS) and the institutionalized PDCA management cycle, the impact on the environment is effectively reduced; at the same time, plans and programs for implementation are formulated every year, and the progress of various goals is tracked and reviewed regularly to ensure the goals achieved.
	Task Force on Climate-related Financial Disclosures (TCFD)	Based on the four major aspects of governance, strategy, risk management, indicators and goals, the company has evaluated the guiding principles and specific practices of planning.
Society	1. Occupational safety and health	1. The company obtained two international and Taiwan occupational safety and health management system (ISO45001 and TOSHMS) dual certifications in 2019, and regularly holds fire drills and occupational safety and health education and training every year to cultivate employees' emergency

		response and self-safety management capabilities.
	2. Product Security	2. All products of the company comply with various product and service laws and regulations regulated by the government, and comply with EU RoHS/REACH regulations on hazardous substances. And through strict quality system management, we provide customers with stable product quality. At the same time, in order to ensure customer service quality and improve customer satisfaction, we set up customer service hotlines and communication websites, and actively conduct customer service satisfaction surveys every year to strengthen the relationship with customers. The cooperative relationship with customers has become the cornerstone of the sustainable development of the enterprise through the mutual benefit and co-prosperity relationship with customers.
Corporate Governance	Socioeconomic and Legal Compliance	Through the establishment of a governance organization and the implementation of an internal control mechanism, it is ensured that all personnel and operations of the company truly comply with relevant laws and regulations.

Task Force on Climate-related Financial Disclosures (TCFD)

Governance(Disclosure organization's climate-related risks and opportunities)

Principles	Practices
Board oversight of climate-related risks and opportunities	The sustainable development cross-departmental team regularly reports the identification and management of climate change-related risks and opportunities every year to the board of directors, and the board of directors supervises the management process.
Executive level is assessing and managing climate-related risks and opportunities.	The "Environmental Function Committee" under the Sustainable Development Interdepartmental Team is responsible for coordinating/assessing the risks and opportunities of climate change throughout the company (including goals and promotion plans), and disclosing them in the annual sustainability report.

Strategy(Immediate and potential climate-related risks and opportunities, impacting organizational business, strategy and financial planning)

Principles	Practices
Short, medium and long-term climate-related risks and opportunities.	<ul style="list-style-type: none"> • Define short-term (1-3 years), medium-term (3-5 years) and long-term (5-10 years) climate-related risks and opportunities according to the existing internal target management schedule, and assess the impact of climate risk factors on the company's Potential implications for strategic, operational and financial planning. • Introduced the ISO14064-1:2018 greenhouse gas inventory standard self-inspection, and will continue to promote carbon reduction programs and other practices in the future, hoping

	to achieve the goal of carbon neutrality by 2050.
Climate risks and opportunities that have a significant impact on the organization's business, strategy and financial planning.	<p>Through the climate-related risk identification process, major risks and opportunities were identified as follows:</p> <p>Two major risks:</p> <ul style="list-style-type: none"> • Emerging regulations require enhanced disclosure of carbon emissions: According to the "Sustainable Development Roadmap for Listed Overseas Companies" issued by the Financial Supervisory Commission in March 2022, Sunplus is a listed oversea company with a capital of NT\$ 5 billion to 10 billion, which should be completed in 2025. The investigation was completed in 2026. Sunplus expects to complete the internal verification in the second quarter of 2025 and the external verification in the second quarter of 2027. • Carbon pricing mechanism: Taiwan is expected to implement a trial carbon fee collection in 2025. Although it is mainly targeted at large emitters with an annual carbon emission of 25,000 tons, it is not ruled out that it will continue to increase at an annual rate of 10% in the future. Sunplus will continue to follow policy developments. <p>One opportunities:</p> <ul style="list-style-type: none"> • Develop low-carbon products and service markets: We will be committed to research and development of low-energy, high-efficiency key components, provide the best solutions, and fulfill our responsibilities for environmental protection, energy conservation and carbon reduction.
The potential impact of different scenarios on the organization's business, strategy and financial planning.	<ul style="list-style-type: none"> • Sunplus conducts simulations based on the Nationally Determined Contributions (NDCs) and the 1.5°C Scenario (2DS) developed by the International Energy Agency (IEA), taking 2011 as the base year to estimate the carbon reduction ratio of Sunplus Technology. • In order to achieve the NDCs greenhouse gas reduction target in 2050, conduct energy-saving management for Scope 2, which accounts for a large proportion of greenhouse gas output. • According to data from the "Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP)" (AR6 statistical downscaled version), extreme high temperatures may cause temporary power shortages, but the company has a complete uninterruptible power supply system and emergency generator system and Data backup measures will prevent operational risks. • The company's main business is IC design and is not involved in IC production activities. The risk of production line shutdown due to prolonged drought has not been included in major risk considerations.

Risk Management(Climate-related risk management procedure from recognition, evaluation, and management)

Principles	Practices
Procedure for recognition, evaluation, and management	<p>The "Environmental Function Committee" under the Interdepartmental Sustainable Development Group follows the framework disclosed by TCFD to identify climate-related risks, mainly through the following four steps:</p> <ol style="list-style-type: none"> (1) Identification of risk issues (2) Determination of major risks issues (3) Identify significant opportunity issues (4) Develop mitigation or adaptation options.
Organizational procedure for managing climate-related risks	• In accordance with ISO 14001, manage with the PDCA

	<p>management cycle to ensure the consistency between the company's environmental protection goals and implementation strategies, and review the adjustment and mitigation actions at the management review meeting every year to ensure that the goals are achieved.</p> <ul style="list-style-type: none"> • Cooperate with the existing ISO 9001 supplier sustainability management mechanism, ISO 14001 environmental management system and ISO45001/TOSHMS occupational safety and health management system, conduct supplier screening through ESG orientation, and conduct annual on-site or written audits for important suppliers.
Integrate management procedure into overall risk management	The "Environmental Function Committee", an interdepartmental group for sustainable development, conducts internal communication or meeting discussions in accordance with the TCFD framework, and combines the company's existing ISO 14001 risk assessment operations to identify important issues, incorporate climate change issues into risk management, and formulate control measures based on this strategy and action plan.

Metrics and Goals

Principles	Practices
Disclose the indicators used by the organization to assess climate-related risks and opportunities in the process of strategy and risk control.	The relevant risk indicators used by Sunplus Technology to assess the climate include electricity consumption and greenhouse gas emissions.
Disclose Scope 1, Scope 2 and Scope 3 (if applicable) greenhouse gas emissions and related risks	Since 2012, self-inspection of greenhouse gas scope 1 and 2 has been carried out every year in accordance with the ISO 14064-1 standard. Scope 3 is not applicable and has not been disclosed. The inventory items are mainly the use of purchased electricity. The results of the verification over the years are disclosed in the sustainability report "Environmental Information Output Quantitative Statistics" chapter.
Describe the organization's goals and level of achievement for managing climate-related risks and opportunities	<ul style="list-style-type: none"> • Starting from 2012, the target is to reduce the total electricity consumption by 1% every year, and the target will be reached from 2011 (base year) to 2023. • Set indirect greenhouse gas emissions as a target to reduce by 2% per year; the indirect greenhouse gas emissions target set in 2023 should be 72.685 tons of CO2 equivalent, and the actual reduction is 174.76 tons of CO2 equivalent, which has reached the standard.

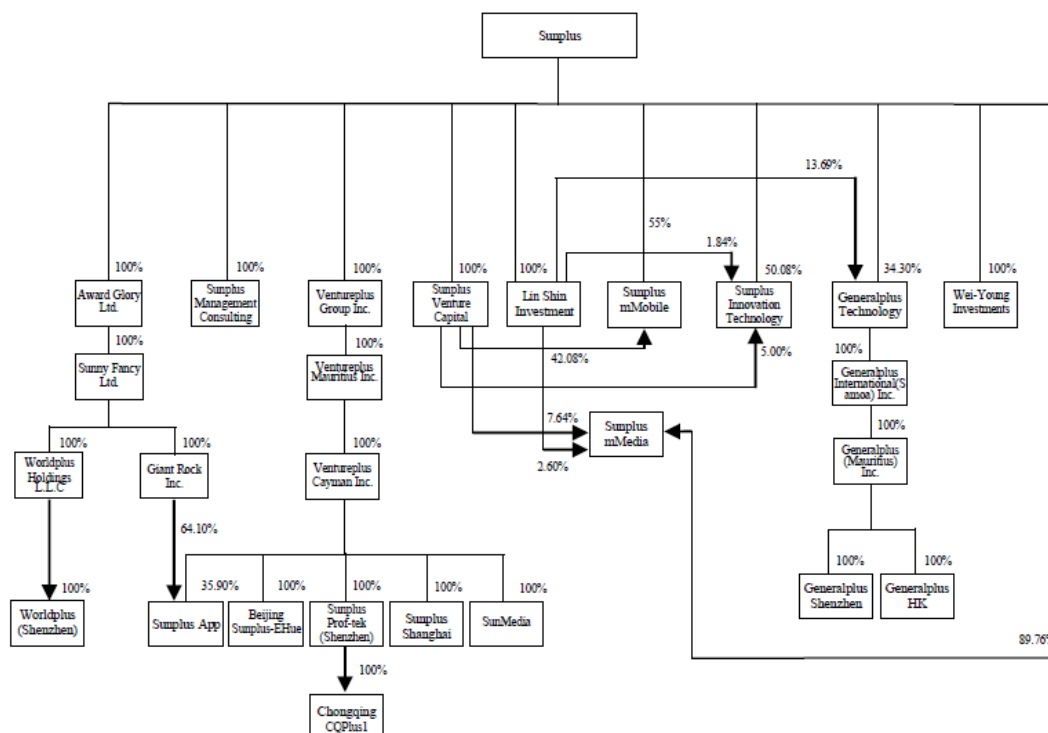
7.7 Other Remarks

None

8. SPECIAL NOTES

8.1 Affiliates for Recent Year

8.1.1 Affiliated Chart



8.1.2 Affiliated Companies

December 31, 2023

Unit: NT\$K (Unless specified)

Company	Date of Incorporation	Place of Registration	Paid-in Capital	Business Activities
Lin Shih Investment Co., Ltd.	July 2, 1998	Hsinchu, Taiwan	700,000	Investment
Sunplus Venture Capital Co., Ltd.	November 20, 1999	Hsinchu, Taiwan	1,237,488	Investment
Ventureplus Group Inc.	July 27, 2001	60 Market Square, Belize City, Belize	2,526,650	Investment
Ventureplus Mauritius Inc.	August 2, 2001	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	2,526,656	Investment
Ventureplus Cayman Inc.	September 14, 2001	P.O.Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	2,526,661	Investment
Shanghai Sunplus Technology Co., Ltd.	December 7, 2001	Shanghai, China	US\$17,200,000 (Note 2)	Software development, customer technical services and rental business
Sunplus Consulting	October 2, 2003	Hsinchu, Taiwan	5,000	Consulting
Power King Investment Development Limited	February 13, 2004	Hsinchu, Taiwan	124,000	Investment
Generalplus	March 30, 2004	Hsinchu, Taiwan	1,088,158	IC Design
Generalplus International (Samoa) Inc.	November 12, 2004	Offshore Chambers, P.O. Box 217, Apia, Samoa	US\$19,090,000 (Note 2)	Investment

Generalplus (Mauritius) Inc.	November 25, 2004	Level 3,Alexander House,35 Cybercity,Ebene Mauritius	US\$19,090,000(Note 2)	Investment
Generalplus Technology (Shenzhen) Co.,Ltd.	March 24, 2004	Guangdong, China	US\$18,700,000(Note 2)	IC product application development, customer services, market research
Sunplus Innovation	December 14, 2006	Hsinchu, Taiwan	584,436	IC Design
Sunplus Mmedia inc	April 18, 2007	Hsinchu, Taiwan	250,000	IC Design
Generalplus(Hong Kong)	March 21, 2007	Hong Kong	US\$390,000(Note 2)	Marketing
Sunplus Prof-tek Technology (Shenzhen) Co., Ltd.	October 22, 2007	Shenzhen, China	US\$32,250,000 (Note 2)	Software development, customer technical services and rental business
Sunmedia Technology Co., Ltd.	January 8, 2008	Chengdu, China	US\$20,000,000 (Note 2)	IC Sales and After Service, Software and System Design
Sunplus App Technology Co., Ltd.	October 6, 2008	Beijing, China	RMB39,000,000 (Note 3)	IC Sales and After Service, Software and System Design
Beijing Sunplus-Ehue Tech Co., Ltd.	December 11, 2013	Beijing	RMB27,000,000(Note 3)	Software development, customer technical services and rental business
Jumplux Technology Inc,	October 27,2014	Hsinchu, Taiwan	240,000	Design & Trading
Award Glory Ltd.	January 04, 2016	60 Market Square, Belize City, Belize.	322,489	Investment
Sunny Fancy Ltd.	October 29, 2014	1st Floor,#5 DEKK House,De Zippora Street , Providence Industrial Estate , Mahe , Republic of Seychelles	322,489	Investment
Giant Rock Inc.	July 3, 2014	The Mason Complex, Suites 19 & 20, The Valley, Anguilla.	184,663	Investment
Worldplus Holdings L.L.C.	September 7, 1999	3500 South Dupont Highway,Dover,Delaware 19901,U.S.A.	US\$3,600,000(Note 2)	Investment Business
Chongqing CQPlus1 Technology Co., Ltd.	July 26, 2019	Chongqing, China	RMB40,000,000(Note 3)	Software development and integrated circuit design
Worldplus Technology (Shenzhen)Co.,Ltd.	January 18, 2000	C804, Building 2, Shenzhen Software Industry Base, No. 87, 89, 91, Gaoxin South 10th Road, Binhai Community, Yuehai Street, Nanshan District, Shenzhen	RMB19,039,000(Note 3)	Software development, rental business and property management

Note 1: The ratio of Hong Kong dollars to Taiwan dollars at the end of the Republic of China was 1:3.929

Note 2: The ratio of US dollars to Taiwan dollars at the end of 2012 was 1:30.705

Note 3: The ratio of RMB to Taiwan dollar at the end of the Republic of China was 1:4.327

8.1.3 Business Scope of Affiliated Companies

Company	Business Activities	Business Relationship
Lin Shih Investment Co., Ltd.	Investment	N/A
Sunplus Venture Capital Co., Ltd.	Investment	N/A
Ventureplus Group Inc.	Investment	N/A
Ventureplus Mauritius Inc.	Investment	N/A
Ventureplus Cayman Inc.	Investment	N/A
Shanghai Sunplus Technology Co., Ltd.	Manufacture and Sales Service	China branch
Sunplus Management Consulting Inc.	Management Consulting	N/A
WeiYing Investment Co., Ltd.	Investment	N/A
Generalplus Technology Inc.	IC Design	Subsidiary
Generalplus International (Samoa) Inc.	Investment	N/A
Generalplus (Mauritius) Inc.	Investment	N/A
Generalplus Technology (Shenzhen) Co.,Ltd.	IC product application development, sales, after-sales service and market research	N/A
Sunplus Innovation Technology Inc.	IC Design	Subsidiary
Sunplus mMedia Inc.	IC Design	Subsidiary
Generalplus Technology (HK) Inc.	Sales Service	N/A
Sunplus Prof-tek Technology (Shenzhen) Co., Ltd.	Manufacture, Sales Service and property management.	China branch
Sunmedia Technology Co., Ltd.	Manufacture and Sales Service	China branch
Sunplus App Technology Co., Ltd.	Sales and IT Education Service	China branch
Beijing Sunplus-Ehue Tech Co., Ltd.	Manufacture and Sales Service	China branch
Jumplux Technology Inc.	Software design ⁷ trading	Grandson- Subsidiary
Award Glory Ltd.	Investment	N/A
Sunny Fancy Ltd.	Investment	N/A
Giant Rock Inc.	Investment	N/A
Worldplus Holdings L.L.C.	Investment Business	N/A
Worldplus Technology (Shen Zhen)Co.,Ltd.	Software development, rental business and property management	China branch
Chongqing CQPlus1 Technology Co., Ltd.	Software development and integrated circuit design	China branch

8.1.4 Directors, Supervisors, and Presidents of Affiliated Companies

December 31, 2023

Company	Title	Name	Shareholding	
			Amount	Ownership(%)
Lin Shih Investment Co., Ltd.	Chairman	Sunplus Technology	70,000,000	100%
		Chou-Chye Huang (repr.)	-	-
Sunplus Venture Capital Co., Ltd.	Chairman	Sunplus Technology	123,748,800	100%
		Chou-Chye Huang (repr.)	-	-
Ventureplus Group Inc.	Chairman	Sunplus Technology	RMB37,900,000	100%
		Chou-Chye Huang (repr.)	AND US74,605,000 (Note 1)	(Note 1) -
Ventureplus Mauritius Inc.	Chairman	Ventureplus Group Inc.	RMB37,900,000	100%
		Chou-Chye Huang (repr.)	AND US74,605,000 (Note 1)	(Note 1)- -

Company	Title	Name	Shareholding	
			Amount	Ownership(%)
Ventureplus Cayman Inc.		Ventureplus Mauritius Inc.	RMB37,900,000 AND US74,605,000 (Note 1)	100% (Note 1)- -
	Chairman	Chou-Chye Huang (repr.)		
Shanghai Sunplus Technology Co., Ltd.	Chairman	Ventureplus Cayman Inc.	US\$17,655,000 (Note 1)	100% (Note 1)
	Director & President	Chou-Chye Huang (repr.)	-	-
	Director	Shu-Chen Cheng	-	-
	Supervisor	Phoebe Chen Shu-Lan Wang	- -	- -
Sunplus Management Consulting Inc.	Chairman	Sunplus Technology Chou-Chye Huang (repr.)	500,000 -	100% -
WeiYang Investment Co., Ltd.	Chairman	Sunplus Technology Chou-Chye Huang (repr.)	12,400,000 -	100% -
Generalplus Technology Inc.	Chairman	Sunplus Technology Chou-Chye Huang (repr.)	37,324,304 -	34.30% -
	Director	Shan,Wei-Heng (repr.)	18,305	0.01%
	Director & President	Chia, I-Hsing	-	-
	Director	Shi-Hao Liu	-	-
	Independent Director	Chia-Ming Chai	-	-
	Independent Director	Nai-Shin Lai	-	-
	Independent Director	Jing-Min Chen	-	-
Generalplus International (Samoa) Inc.	Chairman	Generalplus Technology Inc. Chou-Chye Huang (repr.)	US\$19,090,000 (Note 1)-	100% (Note 1)-
Generalplus (Mauritius) Inc.	Chairman	Generalplus International (Samoa) Inc. Chou-Chye Huang (repr.)	US\$19,090,000 (Note 1)-	100% (Note 1) -
Generalplus Technology (Shenzhen) Co.,Ltd.	Chairman	Generalplus (Mauritius) Inc.	US\$18,700,000 (Note 1)	100% (Note 1)-
	Director & President	Chou-Chye Huang (repr.)	-	-
	Director	Chia, I-Hsing(repr.) Liu,Chien-I(repr.)	- -	- -
Sunplus Innovatipn Technology Inc.	Chairman	Sunplus Technology Chou-Chye Huang (repr.)	29,265,751 -	50.08% -
	Director	Chiu, Chi-Ying(repr.)	527,880	0.90%
	Director & President	Kung, Chih-Hao	2,480,473	4.24%
	Director	Huang, Hung-Wen	-	-
	Independent Director	Chen,Chao-Ting	-	-
	Independent Director	Wang, Ting Hung	-	-
	Independent Director	Hsieh, Chia-Ying	-	-
Sunplus mMedia Inc.	Director & President	Sunplus Technology Chou-Chye Huang (repr.)	22,440,723 -	89.76% -
	Director	Chen, Mei-Chuan(repr.)	-	-
	Director	Shu-Lan Wang(repr.)	-	-
	Supervisor	Lin Shih Investment Co., Ltd.	650,185	2.60%
Generalplus Technology (Hong Kong) Co.,Ltd	Director	Generalplus (Mauritius) Inc. Repr. & President: Chia,I-Hsing	US\$390,000 (Note 1)-	100% (Note 1) -
Sunplus Prof-tek Technology (Shenzhen) Co., Ltd.			US\$32,250,000 (Note 1)	-
	Chairman	Chou-Chye Huang (repr.)	-	-
	President	Chang, Cheng-Tsai	-	-
	Supervisor	Shu-Lan Wang	-	-

Company	Title	Name	Shareholding	
			Amount	Ownership(%)
Sunmedia Technology Co., Ltd.		Ventureplus Cayman Inc.	US\$20,000,000 (Note 1)	100% (Note 1)
	Chairman	Chou-Chye Huang (repr.)	-	-
	President	Chang, Cheng-Tsai	-	-
	Supervisor	Shu-Lan Wang	-	-
Beijing Sunplus App Technology Co., Ltd.	Chairman	Chang, Cheng-Tsai	-	-
	Director	Liu, Yu-Lun	-	-
	Supervisor	Shu-Chen Cheng	-	-
	Director	Shu-Lan Wang	-	-
Beijing Sunplus-Ehue Tech Co., Ltd.		Ventureplus Cayman Inc.	RMB27,000,000 (Note 1)-	100% (Note 1)-
	Chairman	Chou-Chye Huang (repr.)	-	-
	Director & President	Chang, Cheng-Tsai (repr.)	-	-
	Director	Shu-Lan Wang(repr.)	-	-
	Supervisor	Chiu, Chi-Ying(repr.)	-	-
Jumplux Technology Co., Ltd.	Chairman & President	Sunplus Technology Chou-Chye Huang (repr.)	13,200,000 -	55.00% -
	Director	Shu-Lan Wang(repr.)	-	-
	Director	Chen, Mei-Chuan(repr.)	-	-
	Supervisor	Sunplus Venture	10,100,000	42.08%
Award Glory Ltd.		Sunplus Technology	US\$7,072,000 AND RMB24,366,000 (Note 1)-	100% (Note 1)- -
	Chairman	Chou-Chye Huang (repr.)	-	-
Sunny Fancy Ltd.		Award Glory Ltd.	US\$7,072,000 AND RMB24,366,000 (Note 1)-	100% (Note 1)- -
	Chairman	Chou-Chye Huang (repr.)	-	-
Giant Rock Inc.		Sunny Fancy Ltd.	US\$2,700,000 AND RMB24,366,000 (Note 1)-	100% (Note 1)- -
	Chairman	Chou-Chye Huang (repr.)	-	-
Worldplus Holdings L.L.C.		Sunny Fancy Ltd.	US\$3,600,000 (Note 1)-	100% (Note 1)-
	Chairman	Chou-Chye Huang (repr.)	-	-
Worldplus Technology (Shen Zhen)Co.,Ltd.		Worldplus Holdings L.L.C.	RMB\$19,039,000 (Note 1)--	100% (Note 1)-
	Chairman President	Chou-Chye Huang (repr.) Chang, Cheng-Tsai	- -	- -
Chongqing CQPlus1 Technology Co., Ltd.	Chairman	Chou-Chye Huang	-	-
	Director & President	Chang, Cheng-Tsai	-	-
	Director	Kao, Min-Fu	-	-
	Supervisor	Shu-Lan Wang	-	-

Note 1: The invested company is not a joint stock company, so fill in the capital contribution amount and capital contribution ratio.

Note 2: Sunplus Technology Co., Ltd.'s shareholding ratio in Sunext Technology Co., Ltd. is calculated based on the number of ordinary shares issued by Sunext Technology Co., Ltd.

8.1.5 Information on the same shareholders of those who are presumed to have controlling and subordinate relationships: None

8.1.6 Operational Statement of Affiliated Companies

December 31, 2023 ; Unit: NT\$K, except EPS (NT\$)

Company	Capital	Assets	Liabilities	Net Worth	Net Sales	Operation Income	Net Income (After Tax)	EPS
Lin Shih Investment Co., Ltd.	700,000	1,005,743	8,476	997,267	121,882	119,695	118,601	1.69
Sunplus Venture Capital Co., Ltd.	1,237,488	1,464,051	1,217	1,462,835	68,382	66,987	68,758	0.56
Ventureplus Group Inc.	2,526,650	1,757,806	0	1,757,806	53,636	53,636	53,636	Not Applicable
Ventureplus Mauritius Inc.	2,526,656	1,757,803	0	1,757,803	53,636	53,636	53,636	Not Applicable
Ventureplus Cayman Inc.	2,526,661	1,757,781	0	1,757,781	55,230	53,636	53,636	Not Applicable
Shanghai Sunplus Technology Co., Ltd.	528,126	771,815	62,688	709,127	172,808	103,657	52,202	Not Applicable
Sunplus Management Consulting Inc.	5,000	3,027	0	3,027	0	(195)	(166)	(0.33)
WeiYing Investment Co., Ltd.	124,000	116,386	211	116,175	7,878	7,660	8,016	0.65
Generalplus Technology Inc.	1,088,158	2,786,271	672,129	2,114,142	2,107,305	165,205	167,985	1.54
Generalplus International (Samoa) Inc.	586,158	535,806	0	535,806	13,719	13,719	13,719	Not Applicable
Generalplus (Mauritius) Inc.	586,158	543,232	0	543,232	13,719	13,719	13,719	Not Applicable
Generalplus Technology (Shenzhen) Co.,Ltd.	574,183	575,568	42,279	533,289	213,794	4,162	15,317	Not Applicable
Sunplus Innovation Technology Inc.	584,435	2,948,370	423,237	2,525,133	1,650,050	474,251	427,789	7.36
Sunplus mMedia Inc.	250,000	5,032	76	4,956	0	(146)	(126)	(0.01)
Generalplus Technology (Hong Kong) Co.,Ltd	11,975	14,117	4,194	9,923	10,825	(1,768)	(1,598)	Not Applicable
Sunplus Prof-tek Technology (Shenzhen) Co., Ltd.	990,236	890,522	143,898	746,624	174,459	(11,185)	12,389	Not Applicable
Sunmedia Technology Co., Ltd.	614,100	733,902	539,505	194,397	275,625	863	(10,675)	Not Applicable
Sunplus App Technology Co., Ltd.	168,753	1,458	16	1,442	168	(664)	(944)	Not Applicable
Beijing Sunplus-Ehue Tech Co., Ltd.	116,829	55,487	2,407	53,080	7,411	(5,873)	1,450	Not Applicable
Jumplx Technology Co., Ltd.	240,000	90,323	32,595	57,728	150,831	51,770	51,533	2.15
Award Glory Ltd.	322,577	310,129	0	310,129	0	(87,135)	(87,133)	Not Applicable
Sunny Fancy Ltd.	322,577	310,129	0	310,129	0	(87,135)	(87,133)	Not Applicable
Giant Rock Inc.	188,335	219,683	3,508	216,175	0	(73,402)	(73,395)	Not Applicable
Worldplus Holdings L.L.C.	110,538	93,760	0	93,760	-	(13,708)	(13,708)	Not Applicable
Worldplus Technology (Shen Zhen)Co.,Ltd.	82,382	55,490	7,579	47,911	43,807	(16,818)	(12,376)	Not Applicable
Chongqing CQPlus1 Technology Co., Ltd	173,080	183,001	8,294	174,707	100,300	(3,997)	(954)	Not Applicable

Note: The financial information of the above-mentioned affiliated companies' operation overview is prepared using the International Financial Reporting Standards.

8.1.6 Consolidated Financial Statement of Sunplus Affiliates

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The Company required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Sunplus Technology Company Limited

By

CHOU-CHYE HUANG
Chairman

March 13, 2024

8.2In the most recent year and as of the date of publication of the annual report, the situation of private placement securities: None. In the most recent year and as of the date of publication of the annual report, the situation of private placement securities: None.

8.3In the most recent year and as of the publication date of the annual report, subsidiaries held or disposed of the company's stocks: None.

8.4Other necessary supplementary explanations: None.

8.5In the most recent year and as of the date of publication of the annual report, if there are any events that have a significant impact on shareholders' equity or securities prices as stipulated in Paragraph 2 of Article 36 of the Securities and Exchange Act: None

Sunplus Technology Co., Ltd.

Chairman: Chou-Chye Huang

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