

# **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	%
<b>CURRENT ASSETS</b>				
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>
<b>NON-CURRENT ASSETS</b>				
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>
<b>TOTAL</b>	<u>\$ 10,308,742</u>	<u>100</u>	<u>\$ 11,001,276</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
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>
<b>NON-CURRENT LIABILITIES</b>				
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>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 20)</b>				
Share capital				
Ordinary shares	<u>5,919,949</u>	<u>57</u>	<u>5,919,949</u>	<u>54</u>
Capital surplus	<u>1,160,931</u>	<u>11</u>	<u>1,197,373</u>	<u>11</u>
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>
<b>TOTAL</b>	<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>
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR</b>	<u>\$ (404,437)</u>	<u>(36)</u>	<u>\$ 323,506</u>	<u>23</u>
<b>NET (LOSS) PROFIT ATTRIBUTABLE TO:</b>				
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>
<b>TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:</b>				
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>
<b>(LOSS) EARNINGS PER SHARE (Note 24)</b>				
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				
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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(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	4,200	27,762
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	(8)	(3,499)
Net cash generated from (used in) operating activities	<u>175,976</u>	<u>(192,320)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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)

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# 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>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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)

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### 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 depositary 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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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.

l. 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>	
	<b>2023</b>	<b>2022</b>
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>	
	<b>2023</b>	<b>2022</b>
Bank balance	0.001%-1.575%	0.001%-1.050%

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
<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>	
	<u>2023</u>	<u>2022</u>
<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>	
	<u>2023</u>	<u>2022</u>
<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>	
	<u>2023</u>	<u>2022</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	<u>\$ 148,866</u>	<u>\$ 185,771</u>
<u>Trade receivables</u>		

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:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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:

	<b>December 31, 2022</b>
Investments accounted for using the equity method	<u>\$ 248,972</u>

b. Investments in associates

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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)

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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)

	<b>Proportion of Ownership and Voting Rights</b>	
	<b>December 31</b>	
<b>Name of Associate</b>	<b>2023</b>	<b>2022</b>
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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Total assets	<u>\$ 4,279,495</u>	<u>\$ 4,222,750</u>
Total liabilities	<u>\$ 375,664</u>	<u>\$ 427,086</u>
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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

	<b>Buildings</b>	<b>Auxiliary Equipment</b>	<b>Machinery and Equipment</b>	<b>Testing Equipment</b>	<b>Furniture and Fixtures</b>	<b>Construction in Process</b>	<b>Total</b>
<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	<u>\$ 297</u>	<u>\$ 1,536</u>
Expenses relating to low-value asset leases	<u>\$ 394</u>	<u>\$ 425</u>
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)



	<b>Technology License Fees</b>	<b>Software</b>	<b>Patents</b>	<b>Total</b>
<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:

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
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

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
<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)

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<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:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<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>	
	<u>2023</u>	<u>2022</u>
<u>Accounts payable</u>		
Payable - operating	\$ <u>63,452</u>	\$ <u>172,388</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.

## 18. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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:

	<b>Present Value of Defined Benefit Obligation</b>	<b>Fair Value of Plan Assets</b>	<b>Net Assets Arising from Defined Benefit Obligation</b>
Balance at January 1, 2022	\$ 162,318	\$ 166,871	\$ (4,553)
Service cost			
Current service cost	346	-	346
Interest expense (income)	811	835	(24)
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)	1,705	2,105	(400)
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	(4,607)	-	(4,607)
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:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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.

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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)

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<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:

	<b>For Year 2022</b>	<b>For Year 2021</b>
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:

	<b>For the Year 2023</b>
Reversal of special reserve	<u>\$ 56,523</u>

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

d. Special reserve

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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, 2022	<u>          -</u>	<u>      3,560</u>	<u>      3,560</u>

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

	<u>For the Year Ended December 31</u>	
	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

	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>January 1, 2022</b>
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

	<b>Reportable Segments</b>	
	<b>Direct Sales</b>	
	<b>2023</b>	<b>2022</b>
<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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Bank deposits	\$ 3,866	\$ 1,669
Others	<u>725</u>	<u>131</u>
	<u>\$ 4,591</u>	<u>\$ 1,800</u>

b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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

	<b>For the Year Ended December 31 2022</b>
Employees' compensation	1.00%
Remuneration of directors	1.50%

Amount

	<b>For the Year Ended December 31, 2022</b>	
	<b>Cash</b>	<b>Shares</b>
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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
(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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
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	-	-
(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	-	184
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

<b>Financial Assets</b>	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>	<b>Total</b>
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>	
	<u>2023</u>	<u>2022</u>
<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.

	<b>USD Impact</b>	
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit or loss	\$ (5,375)	\$ (6,975)
	<b>RMB Impact</b>	
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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.

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>More than 3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>	<b>5+ Years</b>
<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:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
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

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>More than 3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing Lease liabilities	\$ 205,618 771	\$ 48,847 1,541	\$ 48 6,935	\$ - 34,467	\$ - 197,427
Variable interest rate liabilities	1,072	-	-	1,000,000	-
Fixed interest rate liabilities	<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:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
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

<b>Related Party Name</b>	<b>Related Party Category</b>
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

Account Item	Related Party Type	For the Year Ended December 31	
		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>
		\$ 30,569	\$ 24,517
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>
	\$ 15,277	\$ 30,531

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>
	\$ 528,628	\$ 549,872



### 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

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<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

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<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	
	Triknight 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	-	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	
Sunplus Innovation Technology	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	
	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.



TABLE 4

## 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	Subsidiary
	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

**TABLE 7****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 trustee 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)**

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<b>Item</b>	<b>Amount</b>
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	4,979	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.	-	-	-	-	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)**

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<b>Client Name</b>	<b>Amount</b>
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)**

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	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
		\$ -		\$ 30,487		\$ -	\$ 61,279		\$ 91,766		

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)**

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	<b>Land</b>	<b>Transportation Equipment</b>	<b>Total</b>
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			<u>\$ 1,550,000</u>		
Less: Current portion	<u>(270,295)</u>					
	<u>\$ 929,705</u>					

**SUNPLUS TECHNOLOGY COMPANY LIMITED**

**STATEMENT OF ACCOUNTS PAYABLE**

**DECEMBER 31, 2023**

**(In Thousands of New Taiwan Dollars)**

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<b>Vendor Name</b>	<b>Amount</b>
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)**

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<b>Item</b>	<b>Lease Term</b>	<b>Discount Rate</b>	<b>Amount</b>
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)**

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<b>Item</b>	<b>Quantity</b>	<b>Unit</b>	<b>Amount</b>
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)**

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<b>Item</b>	<b>Amount</b>
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.