Sunplus Technology Company Limited and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

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

Very truly yours,

Sunplus Technology Company Limited

By

____

CHOU-CHYE HUANG
Chairman

March 13, 2024

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
110016 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

Opinion

We have audited the accompanying consolidated financial statements of Sunplus Technology Company Limited and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sunplus Technology Company Limited and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

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

Occurrence of Revenue from Specific Customers

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

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

1. We obtained an understanding of the related internal control and operating procedures in Sunplus Technology Company Limited and its subsidiaries' sales transaction cycle, and we evaluated and confirmed the operating effectiveness of the related internal control and operating procedures.

2. We selected samples from the sales details, and we examined customers' original orders, sales electronic orders, delivery orders, logistics receipt documents or export declaration, and sales invoices for any abnormalities and confirmed that sales revenue did occur .

Other Matter

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

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing Sunplus Technology Company Limited and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sunplus Technology Company Limited and its subsidiaries' internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Sunplus Technology Company Limited and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Sunplus Technology Company Limited and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within Sunplus Technology Company Limited and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2024

<u>*Notice to Readers*</u>

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

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

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

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

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

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

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

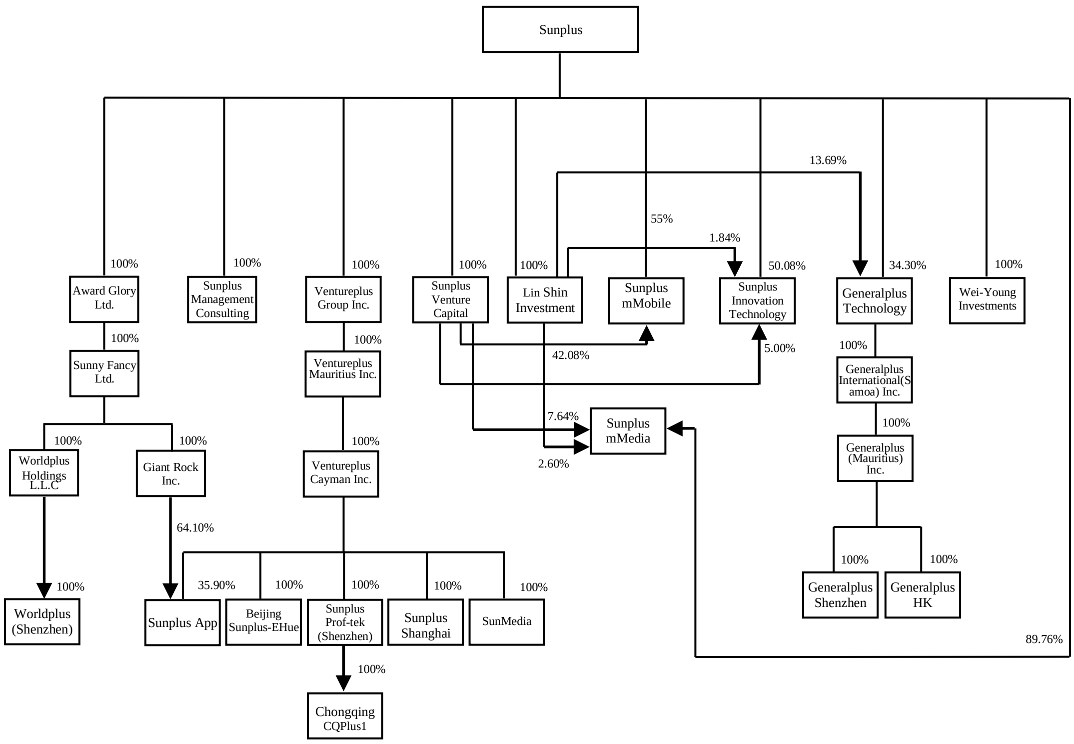
SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Sunplus Technology Company Limited (the "Company") was established in August 1990 and moved to Hsinchu Science Park in October 1993. It designs, produces, tests and sells various integrated circuits (ICs); it researches, developes, sells various software application and silicon intellectual property; it engages in the tradings and agency business of various integrated circuits. Sunplus' shares have been listed on the Taiwan Stock Exchange since January 2000. Some of its shares have been issued in the form of global 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 23).

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



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

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

1) Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"

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

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

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

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

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

3) Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

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

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

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

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

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

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

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

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

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

2) Amendments to IAS 21 "Lack of Exchangeability"

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of Compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

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

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

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

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

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

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

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

e. Foreign currencies

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

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

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

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

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

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

f. Inventories

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

g. Investments in associates

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

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

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

Any excess of the cost of acquisition over the Company’s share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

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

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

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

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

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

h. Property, plant and equipment

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

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

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

i. Investment properties

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

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

Depreciation is recognized using the straight-line method.

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

j. Goodwill

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

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

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

k. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

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

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

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

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

m. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income respectively; any remeasurement gains or losses on such financial assets are recognized and interest income, in other gains or losses. Fair value is determined in the manner described in Note 32: Financial Instruments.

ii. Financial assets at amortized cost

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

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

n. Provisions

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

o. Revenue recognition

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

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

1) Revenue from the sale of goods

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

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

2) Other

Other income mainly comes from software development and royalties.

p. Lease

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

1) The Company as lessor

All leases are classified as operating leases.

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

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

2) The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note 4(i) for the accounting policies for investment properties.

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

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

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

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

q. Borrowing costs

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

r. Government grants

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

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

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

s. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

t. Share-based payment arrangements

Restricted shares for employees granted to employees

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

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

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

u. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key Sources of Estimation Uncertainty

Estimated impairment of financial assets

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

6. CASH AND CASH EQUIVALENTS

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

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

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

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

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

(Continued)

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

(Concluded)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

9. TRADE RECEIVABLE AND OTHER RECEIVABLE

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

Trade receivable

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

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

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

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

December 31, 2023

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

December 31, 2022

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

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1 and December 31	$ -	$ -

Other receivable

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

10. INVENTORIES

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

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

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

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

11. SUBSIDIARIES

a. The subsidiaries included in the consolidated financial statements

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

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership December 31 2023	2022	Note
Sunplus	Sunplus Management Consulting Inc. (“Sunplus Management Consulting”)	Management	100.00	100.00	-
	Ventureplus Group Inc. (“Ventureplus Group”)	Investment	100.00	100.00	-
	Sunplus Technology (H.K.) Co., Ltd. (“Sunplus Technology (H.K.)”)	International trade	-	100.00	The liquidation of Sunplus Technology (H.K.) was completed on December 1, 2023.
	Sunplus Venture Captial Co., Ltd. (“Sunplus Venture”)	Investment	100.00	100.00	-
	Lin Shin Investment Co., Ltd. (“Lin Shin Investment”)	Investment	100.00	100.00	-
	Sunplus mMobile Inc. (“Sunplus mMobile”)	Design of ICs	-	100.00	The liquidation of Sunplus mMobile was completed on June 15, 2023.Interest income of $22 thousand generated from the closing of bank accounts was reclassified to the gain on disposal of the subsidiaries.
	Sunext Technology Co., Ltd. (“Sunext Technology”)	Design of ICs	-	100.00	The base date of the simplified merger of Sunext Technology and Sunplus was October 15, 2023, and Sunext Technology was dissolved on October 20, 2023
	Sunplus Innovation Technology Inc. (“Sunplus Innovation Technology”)	Design of ICs	50.08	50.49	-
	Generalplus Technology Inc. (“Generalplus Technology”)	Design of ICs	34.30	34.30	Sunplus and its subsidiaries owned 47.99% of the equity in Generalplus Technology and the Company had controlling interest over Generalplus Technology; the investee is included in the consolidated financial statements.
	Wei-Young Investment Inc. (“Wei-Young Investment”)	Investment	100.00	100.00	-

(Continued)

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

(Continued)

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

(Concluded)

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

b. Subsidiary excluded from the consolidated financial statements

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

Refer to attachment 5 for registered countries and company information:

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

The summarized financial information below represents amounts before intragroup eliminations.

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

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

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in associates	$ 898,833	$ 932,789

a. Investments in associates

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

(Continued)

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

(Concluded)

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

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

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

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

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

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

	December 31 2023	December 31 2022
Total assets	$ 4,355,866	$ 4,469,929
Total liabilities	$ 387,651	$ 434,939

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

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

13. PROPERTY, PLANT AND EQUIPMENT

a. Assets used by the Company

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

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

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

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

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amount		
Land	$ 185,378	$ 192,049
Buildings	2,451	6,762
Transportation equipment	1,861	3,300
	$ 189,690	$ 202,111

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 1,598	$ 3,926
Depreciation charge for right-of-use assets		
Land	$ 6,670	$ 6,671
Buildings	7,425	7,666
Transportation equipment	1,440	767
	$ 15,535	$ 15,104

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

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

b. Lease liabilities

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

Range of discount rates for lease liabilities was as follows:

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

c. Material lease-in activities and terms

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

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

d. Other lease information

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

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

15. INVESTMENT PROPERTIES

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

(Continued)

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

(Concluded)

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

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

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

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

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

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

	December 31	
	2023	2022
Fair value	$ 42,839	$ 43,674

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

	December 31	
	2023	**2022**
Fair value	$ 1,164,484	$ 1,208,169

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

	December 31	
	2023	**2022**
Fair value	$ 2,137,152	$ 2,240,661

16. INTANGIBLE ASSETS

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

(Continued)

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

(Concluded)

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

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

An analysis of depreciation by function

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

17. OTHER ASSETS

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

a. Refer to Note 28 for information on restricted assets.

b. Sunplus Shanghai and Beijing Sunplus-EHue made time deposit of RMB$6,720 thousand at banks on December 31, 2023; Worldplus (Shenzhen) made time deposit of RMB$1,000 thousand at banks on December 31, 2022. The period of time deposit is 6 months to 1 year, and interest can be charged at a certain interest rate during the deposit period.

c. Worldplus (Shenzhen) and Generalplus Shenzhen made time deposit of RMB$53,000 thousand at banks on December 31, 2023; Sunplus Shanghai, Worldplus (Shenzhen) and Generalplus Shenzhen made certificates of deposit of RMB$48,720 thousand at the bank on December 31, 2022. The deposit period of the certificates of deposit is 2 to 3 years, and interest can be charged at a certain interest rate during the deposit period.

d. Refer to Note 34 for information on pledged time deposits.

e. Refer to Note 35 for information on refundable deposits.

f. The amount of prepayments is Generalplus Technology signed a production capacity cooperation agreement with the supplier, and the prepayment paid in accordance with the contract will be offset in 5 years when the production capacity conditions in the contract are met.

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
Unsecured borrowings		
Bank loans	$ 27,635	$ 42,000

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

b. Long-term borrowings

The borrowings of the Company were as follows:

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

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

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

19. ACCOUNTS PAYABLE

	December 31	
	2023	2022
Accounts payable		
Payable - operating	$ 331,737	$ 420,335

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

20. OTHER LIABILITIES

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

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

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

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

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

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

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

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

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

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

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

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

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

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

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

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

22. EQUITY

a. Share capital

1) Ordinary shares:

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

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

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

2) Global depositary receipts

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

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

b. Capital surplus

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

(Continued)

	December 31	
	2023	2022
May on be used to offset a deficit		
From treasury share transactions	$ 57,435	$ 55,298
Changes in percentage of ownership interests in subsidiaries (2)	461,302	475,546
Changes in net equity of associates accounted for using the equity method	251,901	230,652
	$ 1,160,931	$ 1,197,373

(Concluded)

1) When Sunplus has no deficit, such capital surplus may be distributed as cash dividends, or may be transferred to share capital once a year and within a certain percentage of Sunplus' capital surplus.

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from chants in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

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

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

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

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

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

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

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

	For the Year 2023
Special reserve reversed	$ 56,523

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

d. Special reserve

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

e. Other equity items

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

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

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

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

f. Non-controlling interests

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	$ 2,472,840	$ 2,460,759
Share of profit for the year	271,873	454,558
Other comprehensie income (loss) during the year		
Exchange difference on translation the financial statements of foreign entities	(5,118)	4,510
Unrealized loss on financial assets at FVTOCI	4,061	-
Remeasurement of defined benefit plans	15	(741)
Cash dividends from subsidiaries	(459,643)	(557,998)
Increase in non-controlling interests	10,711	3,898
Disposal of subsidiaries	-	(1,732)
Non-controlling interests from vested and cash capital increase reserved from employee share options granted by Sunplus Innovation Technology (Note 27)	19,323	109,586
Balance at December 31	$ 2,314,062	$ 2,472,840

g. Treasury shares

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

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

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

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

23. REVENUE

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

a. Contract information

Revenue from the sale of goods

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

Other income

Other income mainly comes from software development and royalties.

b. Contract balances

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

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

c. Disaggregation of revenue

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

24. NET (LOSS) PROFIT

Net (loss) profit included the following items:

a. Interest income

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

b. Other income

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

c. Other gains and losses

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

d. Finance costs

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

e. Depreciation and amortization

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

f. Operating expenses directly related to investment properties

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

g. Employee benefit expense

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

h. Employees’ compensation and remuneration of directors and supervisors

The Sunplus resolved amendments to its Articles of Incorporation to distribute employees’ compensation and remuneration directors at rates of no less than 1% and no higher than 1.5%, respectively, of net profit before income tax, employees’ compensation, and remuneration of directors. There was no employees’ compensation accrued due to loss before income tax for the year ended December 31, 2022.The employees’ compensation and remuneration of directors for the years ended

December 31, 2022 which have been approved by the Company's board of directors on March 15, 2023, was as follows:

Accrual rate

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

Amount

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

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

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

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

i. Gain or loss on exchange rate changes

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

25. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

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

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

	For the Year Ended December 31	
	2023	2022
(Loss) profit before tax	$ (86,171)	$ 882,350
Income tax expense calculated at the statutory rate	$ (17,234)	$ 176,470
Different statutory rate in other jurisdictions	4,173	5,100
Tax effect of adjusting items:		
Nondeductible expenses in determining taxable income	19,568	(97,536)
Temporary differences	42,256	109,360
Current investment credit	(5,820)	(11,502)
Additional on undistributed earnings	46	5
Tax-exempt income	(9,943)	(15,180)
Loss carryforwards	(2,683)	4,068
Differences in income basic tax	6,389	4,493
Current income tax expense	36,752	175,278
Deferred income tax expense		
Temporary differences	1,111	(20,942)
Unrecognized loss carryforwards	133,478	71,505
Adjustments for prior years' tax	(36,246)	(14,142)
Foreign income tax expense	8	194
Income tax expense recognized in profit or loss	$ 135,103	$ 211,893

b. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax liabilities		
Income tax payable	$ 154,794	$ 145,222

c. Deferred tax assets

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

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

For the year ended December 31, 2023

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

For the year ended December 31, 2022

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

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

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

e. Unused loss carryforwards and tax-exemptions

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

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

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

Unused Amount	Expiry Year
$ 77,633	2023

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

Unused Amount	Expiry Year
$ 8,289	2023

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

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

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

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

f. Income tax assessments

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

26. (LOSS) EARNINGS PER SHARE

Unit: NT$ Per Share

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

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

Net (loss) profit for the year

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

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

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

Sunplus may settle the compensation of employees in cash or shares; therefore, Sunplus assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. Restricted shares for employees

In the shareholders' meeting of Sunplus Innovation Technology on June 22, 2020, the shareholders approved a restricted share plan for employees with a total amount of $20,000 thousand, consisting of 2,000 thousand shares. The aforementioned resolution was declared effectively by the FSC on October 12, 2020.

The first and second restricted share plans were approved by the board of directors of Sunplus Innovation Technology on October 28, 2020 and September 6, 2021. The total amounts both of the two shares was $10,000 thousand, consisting of 1,000 thousand shares and the issuing price of each share was NT$0. Sunplus Innovation Technology has set October 28, 2020 and September 6, 2021 as the grant dates, and November 5, 2020 and September 7, 2021 as the record dates of capital increase. The amounts of the fair value of the granted shares were $75.26 and $163.50 per share.

After the restricted shares are allocated to employees in accordance with the Sunplus Innovation Technology’s regulations, and they are still working after the expiration of the following vested terms while they meet the performance conditions, the proportions of vested shares are as follows:

1) Those who served in Sunplus Innovation Technology for a year after the grant date with recent personal performance rating before the expiration date reaches the top 35% (included) of Sunplus Innovation Technology, will receive 50% of the number of allocated shares.

2) Those who served in Sunplus Innovation Technology for two year after the grant date with recent personal performance rating before the expiration date reaches the top 35% (included) of Sunplus Innovation Technology, will receive 50% of the number of allocated shares.

When the employee fails to meet the vesting conditions:

1) Resignation (voluntary resignation/retirement/layoff/dismissal): The employee that has not fulfilled the vesting conditions will be deemed to have not met the vesting conditions from the day of resignation. Sunplus Innovation Technology will buy back and cancel the employee’s restricted shares at the original issuing price according to the laws.

2) Unpaid leave: The employee that has not fulfilled the vesting conditions will be restored to the rights and interests from the date of reinstatement, but the vesting period shall be deferred according to the period of unpaid leave.

3) Death: The employee that has not fulfilled the vesting conditions will be deemed to have not met the vesting conditions from the day of death. Sunplus Innovation Technology will buy back and cancel the employee’s restricted shares at the original issuing price according to the laws.

4) Occupational injury:

    a) Those who are unable to continue their employment due to occupational injury and have not fulfilled the vesting conditions shall still fulfill the vesting conditions according to regulation 3) Death.

    b) Death due to occupational injury may cause the employee not fulfilling the vesting conditions which shall be fulfilled by the heirs from the day of the death of the inherited employee according to regulation 3) Death.

5) Transfer employment: If an employee is requested to transfer to an affiliate company or other company (except transferring to a subsidiary), the restricted shares shall be proceed according to the regulation of "Resignation". However, due to Sunplus Innovation Technology’s operation need, employees for those who were assigned by Sunplus Innovation Technology to be transferred to Sunplus Innovation Technology's affiliates or other companies will not be affected.

6) Employees or their heirs shall receive the transferred shares according to the trust agreement.

7) Share dividends and cash dividends that have been allocated to employees who have not fulfilled the vesting conditions during the vesting period shall not be returned.

The restrictions on the rights of the employees who acquire the restricted shares but have not met the vesting conditions are as follows:

1) The employees cannot sell, pledge, transfer, donate or, in any other way, dispose of these shares.

2) The employees holding these shares are not entitled to receive cash dividends and share dividends.

3) Employees should immediately place the restricted shares under the trust or custody after the issuance of restricted shares. They shall not request the trustee or custodian to return the restricted shares for any reason before the vesting conditions are fulfilled.

Other agreements were as follow:

Sunplus Innovation Technology shall act on behalf of employees to negotiate with trust institutions or custodian institutions. It may include but not limited to negotiate, sign, revise, extend, cancel and terminate the trust contracts or custody contracts and instructions for the delivery, use and disposal of trust or custody property during the period of trust or custody.

Information on employee restricted share was as follows:

	For the Year Ended December 31	
	2023	**2022**
	Number of Options (In Thousands of Units)	**Number of Options (In Thousands of Units)**
Outstanding shares at January 1	540	1,495
Shares vested	(483)	(955)
Shares forfeited	(57)	-
Outstanding shares at December 31	-	540

Compensation costs recognized were $19,323 thousand and $109,586 thousand for the year ended December 31, 2023 and 2022, respectively.

28. GOVERNMENT GRANTS

In August 2013, SunMedia received a government grant amounting to RMB$16,390 thousand ($79,213 thousand) for the purchase of land on which to build a plant. The amount was recognized as deferred revenue and subsequently transferred to profit or loss over the useful life of the related asset. The total revenue recognized as profit for the years ended December 31, 2023 and 2022 was $1,601 thousand and $1,610 thousand, respectively.

Sunplus applied for the AI on Chip R&D subsidy program from the Ministry of Economic Affairs, and the “Shared Intelligent Computing Chiplet Architecture R&D Program” was reviewed and approved on November 20, 2020. The approved subsidy amounted to $115,356 thousand. The subsidy program has not yet been concluded on May 31, 2023. As of December 31, 2023 and 2022, the accumulated subsidies received were $115,356 thousand and $113,706 thousand, respectively. The amounts of the recognized subsidy income for the year ended December 31, 2023 and 2022 was $1,020 thousand and $43,516 thousand. In addition, Sunplus has a special account for subsidies in accordance with regulations. The monthly withdrawal amount shall be withdrawn according to the monthly expenditure summary statement, and the withdrawal amount shall not be higher than the expenditure amount. The special account for subsidies has been closed for payment of funds to the Treasury and due diligence has been completed in accordance with the deed of mutual covenant.

29. LIQUIDATION AND DISPOSAL OF SUBSIDIARIES

Liquidation of subsidiaries

a. Analysis of assets and liabilities from liquidation

The Company completed the liquidation of its subsidiaries, Jsilicon Technology, Giant Kingdom and Giant Best on August 30 and September 5, 2022, respectively. Giant Best has finished the incorporation registration; however, the payment has not yet remitted yet.

	Jsilicon Technology	Giant Kingdom
Current assets		
Cash and cash equivalents	$ 28,228	$ 216
Net assets disposed of	$ 28,228	$ 216

b. Gain (loss) on liquidation of subsidiaries

	Jsilicon Technology	Giant Kingdom
Consideration received	$ 28,228	$ 216
Net assets disposed of	(28,228)	(216)
Gain (loss) on disposals	$ -	$ -

c. Net cash inflow on liquidation of subsidiaries

	Jsilicon Technology	Giant Kingdom
Consideration received in cash and cash equivalents	$ 28,228	$ 216
Less: Cash and cash equivalent balances disposal of	(28,228)	(216)
	$ -	$ -

Disposal of subsidiaries

a. Analysis of assets and liabilities from disposal

The Company completed the disposal of its subsidiaries, GenKi Tek Technology on June 20, 2022 and Magic Sky on June 22, 2022, respectively.

	Magic Sky	GenKiTek Technology
Current assets		
Cash and cash equivalents	$ 21	$ 2,352
Other current assets	-	557
Inventories	-	151
Other receivables	-	1

(Continued)

	Magic Sky	GenKiTek Technology
Non-current assets		
Property, plant and equipment	$ -	$ 470
Intangible assets	-	3,257
Right-of-use assets	-	108
Refundable deposits	-	121
Current liabilities		
Payables	-	(952)
Lease liabilities	-	(115)
Other current liabilities	-	(1,330)
Net assets disposed of	$ 21	$ 4,620

(Concluded)

b. Gain (loss) on disposal of subsidiaries

	Magic Sky	GenKiTek Technology
Consideration received	$ 86,000	$ 200
Net assets disposal of	(21)	(4,620)
Reclassification of other comprehensive income in respect of the subsidiaries	(12,017)	-
Non-controlling interests	-	1,732
Gain (loss) on disposals	$ 73,962	$ (2,688)

c. Net cash inflow (outflow) on disposal of subsidiaries

	Magic Sky	GenKiTek Technology
Consideration received in cash and cash equivalents	$ 86,000	$ 200
Less: Cash and cash equivalent balances disposal of	(21)	(2,352)
	$ 85,979	$ (2,152)

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In August 2022, Sunplus and Sunext Technology had acquired the shares of Sunext Technology from Sunext Technology’s non-controlling interest by cash consideration, resulting in an increase in the overall shareholding ratio from 92.55% to 100.00%.

In September 2022, Sunplus Innovation Technology vested restricted shares, resulting in a decrease in the overall shareholding ratio from 58.36% to 57.88%.

In November 2022, Sunplus Innovation Technology vested restricted shares, resulting in a decrease in the overall shareholding ratio from 57.88% to 57.38%.

In January 2023, Sunplus Innovation Technology vested restricted shares, resulting in a decrease in the overall shareholding ratio from 57.38% to 57.37%.

In September 2023, Sunplus Innovation Technology vested restricted shares, resulting in a decrease in the overall shareholding ratio from 57.37% to 56.92%.

In July 2023, Sunplus Shanghai held a 2.56% equity interest in Beijing Sunplus APP, and transferred the equity interest to Giant Rock in November 2023, with Sunplus subsidiaries combining to hold 100% of the equity interest.

In October 2023, Sunplus Shanghai transferred its equity interest in Chongqing CQPlus1 to Sunplus Prof-tek (Shenzhen), with Sunplus subsidiaries combining to hold 100% of the equity interest.

The above transactions were accounted for as equity transactions since the Company did not cease to have control over these subsidiaries.

2023

	Sunplus Innovation Technology	**Sunplus APP**
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (from) to non-controlling interests	$ (14,314)	$ 70
Differences recognized from equity transactions	$ (14,314)	$ 70
Line items adjusted for equity transactions		
Capital surplus - changes in percentage of ownership interests in subsidiaries	$ (14,314)	$ 70

2022

	Sunplus Innovation Technology	**Sunext Technology**
Cash consideration paid	$ -	$ (19,384)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (from) to non-controlling interests	(22,360)	18,462
Differences recognized from equity transactions	$ (22,360)	$ (922)

	Sunplus Innovation Technology	**Sunext Technology**	**Total**
Line items adjusted for equity transactions			
Capital surplus - changes in percentage of ownership interests in subsidiaries	$ (22,360)	$ -	$ (22,360)
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	-	(922)	(922)
	$ (22,360)	$ (922)	$ (23,282)

31. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings and other equity) attributable to owners of the Company.

The Company is not subject to any externally imposed capital requirements.

32. FINANCIAL INSTRUMENTS

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

The management of the Company considers that the fair values of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 760,044	$ -	$ -	$ 760,044
Domestic/foreign listed shares	336,187	-	-	336,187
Domestic/foreign unlisted shares	68,882	-	661,056	729,938
Domestic/foreign- CB	55,259	-	-	55,259
Limited partnership	-	-	875,228	875,228
	$ 1,220,372	$ -	$ 1,536,284	$ 2,756,656
Financial assets at FVTOCI				
Domestic listed shares	$ 55,466	$ -	$ -	$ 55,466
Domestic/foreign unlisted shares	-	-	324,387	324,387
	$ 55,466	$ -	$ 324,387	$ 379,853

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 503,173	$ -	$ -	$ 503,173
Domestic listed shares	92,185	-	-	92,185
Domestic/foreign unlisted shares	85,218	-	748,692	833,910
Limited partnership	-	-	773,718	773,718
	$ 680,576	$ -	$ 1,522,410	$ 2,202,986

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed shares	$ 28,957	$ -	$ -	$ 28,957
Domestic/foreign unlisted shares	-	-	262,258	262,258
Domestic private listed shares	-	-	4,340	4,340
	$ 28,957	$ -	$ 266,598	$ 295,555

(Concluded)

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

For the Year Ended December 31, 2023

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2023	$ 1,522,410	$ 266,598	$ 1,789,008
Recognized in profit or loss	(9,449)	-	(9,449)
Recognized in other comprehensive income	-	80,814	80,814
Purchases	202,140	15,290	217,430
Disposals	(2,130)	(27,378)	(29,508)
Transfer out of Level 3	(28,701)	(8,738)	(37,439)
Refund of shares through capital reduction of the invested company	(147,796)	-	(147,796)
Effect of exchange rate changes	(190)	(2,199)	(2,389)
Balance at December 31, 2023	$ 1,536,284	$ 324,387	$ 1,860,671

For the Year Ended December 31, 2022

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2022	$ 1,763,252	$ 126,770	$ 1,890,022
Recognized in profit or loss	(170,998)	-	(170,998)
Recognized in other comprehensive income	-	10,296	10,296
Purchases	318,693	127,573	446,266
Disposals	(358,485)	-	(358,485)
Transfer out of Level 3	(69,300)	-	(69,300)
Effect of exchange rate changes	39,248	1,959	41,207
Balance at December 31, 2022	$ 1,522,410	$ 266,598	$ 1,789,008

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

a) The fair values of unlisted equity securities - domestic and foreign were determined using the market approach. The significant unobservable inputs used are listed in the table below. An increase in the price-to-book ratio or price-sales ratio or a decrease in the discount for lack of marketability used in isolation would result in increases in fair value.

	December 31	
	2023	**2022**
Price-to-book ratio	0.840-7.460	0.745-4.230
Price-to-sales ratio	0.770-10.770	0.788-4.570
Discount for lack of marketability	20%-30%	10%-30%

b) The fair values of unlisted shares and limited partnership were determined using the asset-based approach. The Company assesses that the amount of its net assets attributable to its investment approaches the fair value of the equity investment. The Company assesses the total value of the individual assets and liabilities covered by the target to reflect the overall value of the business.

c) The fair values of unlisted shares were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. The significant unobservable inputs used are listed in the table below. An increase in long-term revenue growth rates or a decrease in the weighted average cost of capital (WACC) or discount for lack of marketability used in isolation would result in increases in fair value.

	December 31	
	2023	**2022**
Long-term revenue growth ratio	-	2.00%
Weighted average cost of capital ratio	-	8.646%
Discount for lack of marketability	-	30%

d) Domestic listed private equity investment refers to the transaction price of the listed company's stock in the active market, and uses the unobservable input value as discount for lack of marketability to determine the value of the evaluation target.

	December 31	
	2023	**2022**
Discount for lack of marketability	21.7%	54.8%

c. Categories of financial instruments

	December 31	
	2023	**2022**
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)	$ 2,756,656	$ 2,202,986
Financial assets at amortized cost (1)	5,351,891	5,844,587
Financial assets at (FVTOCI)		
Equity instruments	379,853	295,555
<u>Financial liabilities</u>		
Measured at amortized cost (2)	1,807,824	1,730,973

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes and trade receivables, other receivables, other financial assets and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, accounts payable, current portion of long-term bank borrowings, long-term borrowings and guarantee deposits.

d. Financial risk management objectives and policies

The Company’s major financial instruments included mutual funds equity and debt investments, convertible bonds, trade receivables, accounts payable, borrowings and lease liability. The Company’s corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporate Treasury function reported quarterly to the Company's risk management committee.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Company entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

a) Foreign currency risk

A part of the Company’s cash flows is in foreign currency, and the use by management of derivative financial instruments is for hedging adverse changes in exchange rates, not for profit.

For exchange risk management, each foreign-currency item of net assets and liabilities is reviewed regularly. In addition, before obtaining foreign loans, the Company considers the cost of the hedging instrument and the hedging period.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period were refer to Note 36.

<u>Sensitivity analysis</u>

The Company was mainly exposed to the USD and RMB.

The following table details the Company sensitivity to a US$1.00 and RMB1.00 increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity analysis considers the currencies of USD and RMB in circulation, and adjusts the end-of-term conversion to exchange rate change of $1.00. The sensitivity analysis covers cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets, long-term and short-term loans, accounts payable, other accounts payable and deposit margins. A negative number below indicates a decrease in post-tax profit associated with the New Taiwan dollar strengthening $1.00 against USD and RMB. For a $1.00 weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on post-tax profit, and the balances below would be positive.

	USD Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	$ (29,983)	$ 25,645

	RMB Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	$ (9,451)	$ (11,905)

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	$ 3,430,238	$ 2,895,144
Financial liabilities	227,605	210,761
Cash flow interest rate risk		
Financial assets	928,531	1,806,101
Financial liabilities	1,200,000	1,042,000

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. Basis points of 0.125% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been increased/decreased by 0.125% and all other variables held constant, the Company's post-tax profit for the years ended December 31, 2023 and 2022 would decrease/increase by $339 thousand and increase/decrease $955 thousand, respectively.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

Had the prices of financial assets at FVTPL been 1% higher/lower, post-tax profit for the year ended December 31, 2023 and 2022 would have increased/decreased by $27,567 thousand and $22,030 thousand, respectively.

Had the prices of financial assets at FVTOCI been 1% higher/lower, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $3,799 thousand and $2,956 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company is arising from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk was significantly reduced.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

The Company's concentration of credit risk of 64% and 60% in total trade receivables as of December 31, 2023 and 2022, respectively, was related to the five largest customers within the property construction business segment. The Company believed that the concentration of credit risk is relatively insignificant for the remaining accounts receivables.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized overdraft and financing facilities refer to the following instruction.

a) Liquidity and interest risk rate tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows.

December 31, 2023

Non-derivative financial liabilities	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
Non-interest bearing	$ 383,822	$ 95,702	$ 1,567	$ 1	$ -
Lease liabilities	1,073	2,287	8,699	39,377	226,586
Variable interest rate liabilities	1,323	27,654	270,295	929,705	-
Fixed interest rate liabilities	-	-	650	4,096	165,626
	$ 386,218	$ 125,643	$ 281,211	$ 973,179	$ 392,212

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 12,059	$ 39,377	$ 48,321	$ 45,617	$ 38,180	$ 94,468

December 31, 2022

Non-derivative financial liabilities	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
Non-interest bearing	$ 289,228	$ 225,048	$ 5,154	$ 1	$ -
Lease liabilities	1,529	3,204	14,237	41,782	236,250
Variable interest rate liabilities	1,072	42,000	-	1,000,000	-
Fixed interest rate liabilities	-	-	-	4,453	182,057
	$ 291,829	$ 270,252	$ 19,391	$ 1,046,236	$ 418,307

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 18,970	$ 41,782	$ 48,321	$ 47,645	$ 38,180	$ 102,104

b) Financing facilities

	December 31	
	2023	2022
Unsecured bank overdraft facility, review annually and payable on demand		
Amount used	$ 1,227,635	$ 1,085,567
Amount unused	3,165,646	3,790,209
	$ 4,393,281	$ 4,875,776

33. TRANSACTIONS WITH RELATED PARTIES

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

a. Name and relationship of related parties

Name	Relationship with the Company
iCatch Technology	Associate
AutoSys (TW) Co., Ltd.	Associate (Note)
eNeural Technologies, Inc.	Associate

Note: It is an associate of the Company; subsidiary of Autosys Co., Ltd..

b. Sales of goods

Line Items	Related Party Categories	For the Year Ended December 31 2023	2022
Sales	Associates	$ 64,655	$ 45,790

Sales price to related parties is based on cost and market price. The sales terms to related parties were similar to those with external customers.

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

Account Item	Related Party	December 31 2023	2022
Trade receivables	Associates	$ 1,513	$ 6,134
Other receivables	Associates	$ 630	$ 535

There were no guarantees on outstanding receivables from related parties. For the years ended December 31, 2023 and 2022, no impairment loss was recognized for trade receivables from related parties.

d. Prepayments (excluding loans to related parties)

Line Item	Related Party Category	December 31 2023	2022
Other current assets	Associate	$ 1,385	$ -

e. Guarantee deposits received (excluding loans to related parties)

Line Item	Related Party Category	December 31 2023	2022
Other liabilities	Associate	$ 666	$ -

f. Other transactions with related parties

Account Item	Related Parties Types	December 31 2023	December 31 2022
Operating expenses	Associates	$ -	$ 114
Non-operating income and expenses	Associates	$ 15,678	$ 12,934

Administrative support services price between the Company and the related parties were negotiated and were thus not comparable with those in the market. There are no other available transactions to be compared with.

The pricing and the payment terms of the lease contract between the Company and the related parties were similar to those with external customers.

g. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	$ 93,940	$ 143,591
Post-employment benefits	1,049	1,200
	$ 94,989	$ 144,791

The remuneration of directors and other key management personnel was determined by the Compensation Committee in accordance with individual performance and market trends.

34. PLEDGED OR MORTGAGED ASSETS

The following assets of the Company have been pledged or mortgaged as guarantees for endorsement, loan, purchase quota, leased land and customs clearance:

	December 31	
	2023	2022
Buildings, net	$ 518,128	$ 537,529
Pledged time deposits (classified as other financial assets - non-current)	13,500	15,343
	$ 531,628	$ 552,872

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitment of the Company as of the end of the reporting period, excluding these disclosed in other note, were as follow:

Long-term purchase contract:

Generalplus Technology signed a long-term supply contract with the supplier in December 2021. According to the contract agreed that supply quantity and price from January 1, 2022 to June 30, 2025.

According to the contract, Generalplus has been paid USD$3,456 thousand to the supplier as a guarantee to ensure the supply of production capacity. The contract stipulates that if fail to fulfill the agreed purchase quantity or supply quantity, the other party has the right to demand a certain amount of compensation.

36. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 42,553	30.705	$ 1,306,590
JPY	29,434	0.217	6,387
CNY	17,907	4.327	77,484
HKD	91	3.929	358
GBP	3	39.150	117
Nonmonetary items			
CHF	583	36.485	21,271
Financial liabilities			
Monetary items			
USD	12,570	30.705	385,962
CNY	8,456	4.327	36,589

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 46,195	30.710	$ 1,418,648
JPY	6,762	0.232	1,569
CNY	910	4.408	4,011
HKD	111	3.938	437
GBP	3	37.090	111
EUR	1	32.720	33
Nonmonetary items			
CHF	541	33.205	17,953
Financial liabilities			
Monetary items			
USD	20,550	30.710	631,091
JPY	1,181	0.232	274
CNY	12,815	4.408	56,489

For the years ended December 31, 2023 and 2022, (realized and unrealized) net foreign exchange gains (losses) were $7,349 thousand and $(42,642) thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Company.

37. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees and b. Information on investees:

1) Financings provided: Table 1 (attached)

2) Endorsement/guarantee provided: No

3) Marketable securities held: Table 2 (attached)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: Table 3 (attached)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: No.

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: No.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: No

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: No.

9) Trading in derivative instruments: No.

10) Intercompany relationships and significant intercompany transactions: Table 4 (attached)

b. Information on investees (Table 5)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 7)

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services.

d. Information of major shareholders：List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

Except for Table 1 to Table 8, there's no further information about other significant transactions.

38. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods provided. Since all products have similar economic characteristics and product selling is centralized, the Company reports information as referring to one segment. Thus, the information of the operating segment is the same as that presented in the accompanying financial statements. That is, the revenue by sub segment and operating results for the years ended December 31, 2023 and 2022 are shown in the accompanying consolidated income statements, and the assets by segment as of December 31, 2023 and 2022 are shown in the accompanying consolidated balance sheets.

a. Segment revenues and results

The following was an analysis of the Company's operating revenue and results by reportable segment.

	Segment Revenue	
	For the Year Ended December 31	
	2023	**2022**
IC design	$ 5,155,084	$ 6,301,115
Income from lease of property	257,666	254,567
Other income	122,671	150,026
	$ 5,535,421	$ 6,705,708

b. Geographical information

The Company operates in two principal geographical areas - the Asia and Taiwan.

The Company's revenue from external customers by location of operations and information about its non-current assets by location of assets is detailed below.

	Revenue from External Customers For the Year Ended December 31		Non-current Assets December 31	
	2023	2022	2023	2022
Asia	$ 3,135,376	$ 4,025,105	$ 1,721,127	$ 1,848,012
Taiwan	2,400,029	2,638,008	1,284,422	1,423,109
Others	16	42,595	-	-
	$ 5,535,421	$ 6,705,708	$ 3,005,549	$ 3,271,121

Non-current assets exclude financial instruments, deferred tax assets and other non-current assets.

c. Information about major customers

Single customers contributing 10% or more to the Company's revenue were as follows:

	For the Year Ended December 31	
	2023	2022
Customer A	$ 904,618	$ 1,026,125
Customer B	(Note)	939,858

Note: The amount of revenue does not reach 10% of the Company's net revenue.

TABLE 1

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
1	Sunplus Shanghai	SunMedia	Receivables from related parties	Yes	$ 362,295	$ 326,256	$ 326,256	1.80%	Note 1	$ -	Note 2	$ -	-	$ -	$ 425,476 (Note 5)	$ 425,476 (Note 5)
2	Sunplus Venture Capital	SunMedia	Receivables from related parties	Yes	50,672	-	-	-	Note 1	-	Note 3	-	-	-	585,134 (Note 6)	585,134 (Note 6)
3	Lin Shin Investment	SunMedia	Receivables from related parties	Yes	186,963	61,410	61,410	4.15%	Note 1	-	Note 4	-	-	-	398,907 (Note 7)	398,907 (Note 7)

Note 1: Short-term financing.

Note 2: Sunplus Shanghai provided funds for the operating needs of SunMedia.

Note 3: Sunplus Venture Capital provided funds for the operating needs of SunMedia.

Note 4: Lin Shin Investment provided funds for the operating needs of SunMedia.

Note 5: Sunplus Shanghai and the loans are all foreign companies whose parent company directly and indirectly holds 100% of the voting shares. When the short-term financing funds need to be engaged in capital lending, the capital loan and the individual amount and total amount should not exceed the capital loan. The enterprise's net worth should not exceed to 60%, and its period should not exceed more than 2 years.

Note 6: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Sunplus Venture Capital’s net equity as of its latest financial statements.

Note 7: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Lin Shin Investment’s net equity as of its latest financial statements.

TABLE 2

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Sunplus	PineBridge Global ESG Quantitative Bond Fund	-	Financial assets at FVTPL - current	542,594	$ 4,979	-	$ 4,979	Note 1
	Nomura Taiwan Money Market Fund	-	Financial assets at FVTPL - current	1,499,784	25,113	-	25,113	Note 1
	Nomura Global Short Duration Bond Fund	-	Financial assets at FVTPL - current	467,959	4,995	-	4,995	Note 1
	TriKnight Capital Corporation	-	Financial assets at FVTPL - non-current	28,841,800	263,738	4	263,738	Note 1
	Intudo Ventures II,L.P.	-	Financial assets at FVTPL - non-current	-	179,463	6	179,463	Note 1
	Intudo Ventures III,L.P.	-	Financial assets at FVTPL - non-current	-	25,037	1	25,037	Note 1
	Tesla, Inc.	-	Financial assets at FVTPL - non-current	4,433	33,822	-	33,822	Note 1
	AMED Ventures I,L.P.	-	Financial assets at FVTPL - non-current	-	18,220	2	18,220	Note 1
	Intudo Istimewa II, LLC	-	Financial assets at FVTPL - non-current	-	15,338	7	15,338	Note 1
	Intudo Istimewa I, LLC	-	Financial assets at FVTPL - non-current	-	15,259	14	15,259	Note 1
	AMED Ventures II,L.P.	-	Financial assets at FVTPL - non-current	-	16,328	1	16,328	Note 1
	Vertex Growth II (SG) L.P.	-	Financial assets at FVTPL - non-current	-	4,394	-	4,394	Note 1
	Foxtron Vehicle Technologies Co., Ltd.	-	Financial assets at FVTPL - non-current	1,950,000	86,970	-	86,970	Note 1
	Intudo Ventures I,L.P.	-	Financial assets at FVTPL - non-current	-	-	-	-	Note 1
	eYs3D Microelectronics, Inc.	-	Financial assets at FVTOCI - non-current	1,190,476	15,310	1	15,310	Note 1
	AnHorn Holdings Inc.	-	Financial assets at FVTOCI - non-current	581,396	76,456	2	76,456	Note 1
	GeneOne Diagnostics Corporation	-	Financial assets at FVTOCI - non-current	1,709,974	-	13	-	Note 1
Lin Shin Investment	Airoha Technology Corp.	-	Financial assets at FVTPL - current	60,000	34,620	-	34,620	Note 2
	SYNCOMM TECHNOLOGY CORP.	-	Financial assets at FVTPL - current	500,000	18,350	-	18,350	Note 2
	LOTES CO., LTD	-	Financial assets at FVTPL - current	10,000	10,700	-	10,700	Note 2
	GLORIA MATERIAL TECHNOLOGY CORP	-	Financial assets at FVTPL - current	150,000	7,328	-	7,328	Note 2
	Evergreen Aviation Technologies Corporation	-	Financial assets at FVTPL - current	575,000	62,387	-	62,387	Note 2
	Mercuries F&B Co., Ltd.	-	Financial assets at FVTPL - current	350,000	33,516	-	33,516	Note 2
	Bora Pharmaceuticals Co., LTD. 3rd Domestic Unsecured Convertible Bond	-	Financial assets at FVTPL - current	70,000	8,106	-	8,106	Note 2
	GOLD CIRCUIT ELECTRONICS LTD. 2nd Domestic Unsecured Convertible Bond	-	Financial assets at FVTPL - current	80,000	9,120	-	9,120	Note 2
	Sercomm Corp. 7th Domestic Unsecured Convertible Bonds	-	Financial assets at FVTPL - current	110,000	12,133	-	12,133	Note 2
	Horizon Securities Co., Ltd. 2nd Domestic Unsecured Convertible Bond	-	Financial assets at FVTPL - current	50,000	5,035	-	5,035	Note 2
	Yulon Finance Corporation 2nd Domestic Unsecured Convertible Bond	-	Financial assets at FVTPL - current	150,000	15,255	-	15,255	Note 2
	Enterex International Limited - Convertible Bonds	-	Financial assets at FVTPL - current	30,000	-	-	-	Note 1
	Genius Vision Digital Inc.	-	Financial assets at FVTPL - non-current	300,000	-	1	-	Note 1
	Lead Sun Corporation	-	Financial assets at FVTPL - non-current	1,000,000	37,304	11	37,304	Note 1
	AI3 Co.	-	Financial assets at FVTPL - non-current	33,130	431	1	431	Note 1
	Prine Rich International Co., Ltd.	-	Financial assets at FVTOCI - non-current	33,000	1,790	-	1,790	Note 1
	Sunplus	Parent company	Financial assets at FVTOCI - non-current	3,559,996	122,286	1	122,286	Note 2
Sunplus Venture Capital	Jih Sun Vietnam Opportunity Fund	-	Financial assets at FVTPL - current	500,000	4,090	-	4,090	Note 3
	Eastspring Investments India Equity Fund	-	Financial assets at FVTPL - current	67,996	3,307	-	3,307	Note 3
	Lin BioScience, Inc.	-	Financial assets at FVTPL - current	150,000	17,016	-	17,016	Note 2
	GIGA-BYTE TECHNOLOGY CO., LTD.	-	Financial assets at FVTPL - current	80,000	21,280	-	21,280	Note 2
	ASE Technology Holding Co., Ltd.	-	Financial assets at FVTPL - current	60,000	8,100	-	8,100	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Sunplus Venture Capital	SHINFOX ENERGY CO., LTD. 1ST DOMESTIC SECURED CONVERTIBLE BOND	-	Financial assets at FVTPL - current	50,000	$ 5,610	-	$ 5,610	Note 2
	Genius Vision Digital Co., Ltd.	-	Financial assets at FVTPL - non-current	375,000	-	1	-	Note 1
	M-POWER INFORMATION Co., LTD.	-	Financial assets at FVTPL - non-current	12,014,712	127,501	7	127,501	Note 1
	eWave System,Inc.	-	Financial assets at FVTPL - non-current	1,833,333	-	22	-	Note 1
	Book4u Company Limited	-	Financial assets at FVTPL - non-current	9,375	-	-	-	Note 1
	Simple Act Inc.	-	Financial assets at FVTPL - non-current	1,900,000	-	10	-	Note 1
	HUIJIA HEALTH LIFE TECHNOLOGY CO., LTD.		Financial assets at FVTPL - non-current	1,049,000	1,650	5	1,650	Note 1
	Foryou Venture Capital Limited Partnership	-	Financial assets at FVTPL - non-current	5,000,000	69,415	10	69,415	Note 1
	Foryou Private Equity Limited Partnership	-	Financial assets at FVTPL - non-current	-	38,981	5	38,981	Note 1
	San Neng Group Holdings Co., LTD.	-		900,000	36,630	1	36,630	Note 2
	Raynergy Tek Inc.	-	Financial assets at FVTPL - non-current	5,690,500	37,330	12	37,330	Note 1
	CDIB Capital Growth Partners L.P.	-	Financial assets at FVTPL - non-current	-	103,161	2	103,161	Note 1
	TIEF fund I L.P.	-	Financial assets at FVTPL - non-current	-	46,583	7	46,583	Note 1
	Intudo Ventures I,L.P.	-	Financial assets at FVTPL - non-current	-	103,541	8	103,541	Note 1
	TGVest Capital Limited Partnership	-	Financial assets at FVTPL - non-current	-	99,102	5	99,102	Note 1
	Intelligo Technology Inc.	-	Financial assets at FVTPL - non-current	336,502	12,240	1	12,240	Note 1
	Pacific 8 Ventures Fund II,L.P.	-	Financial assets at FVTPL - non-current	-	10,639	2	10,639	Note 1
	Cerulean Asset Management Co., Ltd.	-	Financial assets at FVTPL - non-current	-	23,799	11	23,799	Note 1
	CSVI Ventures, L.P.	-	Financial assets at FVTPL - non-current	-	28,512	2	28,512	Note 1
	Feature Integration Technology Inc.	-	Financial assets at FVTOCI - non-current	602,020	43,105	2	43,105	Note 2
	Innorich Venture Capital Corp.	-	Financial assets at FVTOCI - non-current	3,000,000	17,052	6	17,052	Note 1
	Protect Life International Biomedical Inc.	-	Financial assets at FVTOCI - non-current	469,110	1,570	3	1,570	Note 1
	Promise Technology Inc.	-	Financial assets at FVTOCI - non-current	962,000	12,362	1	12,362	Note 2
	Neuchips Inc. - Preference shares	-	Financial assets at FVTOCI - non-current	585,000	21,821	1	21,821	Note 1
	Neuchips Inc.	-	Financial assets at FVTOCI - non-current	2,100,000	47,900	2	47,900	Note 1
Wei-Young Investment	Feedback Technology Corp.	-	Financial assets at FVTPL - current	50,000	4,775	-	4,775	Note 2
	ChipMOS TECHNOLOGIES INC.	-	Financial assets at FVTPL - current	700,000	29,575	-	29,575	Note 2
Sunplus Shanghai	GF Money Market Fund B	-	Financial assets at FVTPL - current	11,400,000	49,657	-	49,657	Note 3
	GF Daily Income Money Market Fund B	-	Financial assets at FVTPL - current	5,480,000	24,214	-	24,214	Note 3
	GF Huo Qi Bao Money Market Fd B	-	Financial assets at FVTPL - current	8,340,000	36,120	-	36,120	Note 3
	Ready Sun Investment Group Fund	-	Financial assets at FVTPL - non-current	-	40,151	16	40,151	Note 1
Generalplus Technology	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at FVTPL - current	1,934,557	20,556	-	20,556	Note 3
	Yuanta De-Li Money Market Fund	-	Financial assets at FVTPL - current	2,568,841	43,068	-	43,068	Note 3
Sunplus Innovation Technology	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at FVTPL - current	1,934,557	20,556	-	20,556	Note 3
	Yuanta De-Li Money Market Fund	-	Financial assets at FVTPL - current	2,568,841	43,068	-	43,068	Note 3
	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	10,133,835	141,291	-	141,291	Note 3
	Taishin Ta-Chong Money Market Fund	-	Financial assets at FVTPL - current	11,733,616	171,417	-	171,417	Note 3
	FUBON CHI-HSIANG MONEY MARKET FUND	-	Financial assets at FVTPL - current	8,764,601	141,140	-	141,140	Note 3
	CTBC Hwa-win Money Market Fund	-	Financial assets at FVTPL - current	7,962,421	90,096	-	90,096	Note 3
Giant Rock	Xiamen Xm-plus Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	11,150,000	218,167	13	218,167	Note 1
Chongqing CQPLus1	Vicoretek Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	142,487	8	142,487	Note 1

Note 1: The market value was based on the carrying amount as of December 31 2023.

Note 2: The market value was based on the closing price as of December 31, 2023.

Note 3: The market value was based on the net asset value of the fund as of December 31, 2023.

(Concluded)

TABLE 3

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal (Note 4)	Number of Shares	Amount
Generalplus Technology	Yuanta De-Li Money Market Fund	Financial assets at FVTPL - current	-	-	12,855,130	$ 213,002	20,897,176	$ 348,000	31,183,465	$ 520,000	$ 517,842	$ 2,158	2,568,841	$ 43,068

Note 1: Marketable Securities in this table include shares, bonds, beneficiary certificates and derivative products.

Note 2: Fill in the two columns if marketable securities are accounted for using equity method.

Note 3: The accumulated amount of acquisition/disposal were calculated at costs or prices of at least NT$300 million or 20% of the paid-in capital separately.

Note 4: Paid-in capital is the paid-in capital of the parent company Shares of issuers without par value or not NT$10 per share are calculated according to 10% of total equity attributable to owners of the Company regarding the regulation on transaction amount of 20% of paid-in capital.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statement Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Sunplus	Generalplus Technology	1	Sales	$ 2,995	Note 1	0.05%
			Notes receivable and trade receivables	698	Note 1	0.01%
			Other receivables	42	Note 3	-
			Non-operating income	529	Note 3	0.01%
	Sunext Technology	1	Sales	39	Note 1	-
			Non-operating income	1,469	Note 2	0.03%
	Sunplus Innovation Technology	1	Non-operating income	4,177	Note 2	0.08%
			Other receivables	642	Note 3	-
	Jumplux Technology	1	Sales	10,713	Note 1	0.19%
			Non-operating income	8,184	Note 2	0.15%
			Notes receivable and trade receivables	1,923	Note 1	0.01%
			Other receivables	4,504	Note 3	0.03%
	Chongqing CQPlus1	1	Cost of goods sold	18,232	Note 2	0.33%
	SunMedia	1	Other payables	26,085	Note 3	0.19%
			Research and development expenses	103,542	Note 2	1.87%
	Sunplus Prof-tek (Shenzhen)	1	Other payables	27,921	Note 3	0.20%
			Research and development expenses	110,665	Note 2	2.00%
Sunplus Innovation Technology	SunMedia	2	Other payables	1,595	Note 3	0.01%
			Selling and marketing expenses	6,394	Note 2	0.12%
	Worldplus (Shenzhen)	2	Other payables	7,070	Note 3	0.05%
			Selling and marketing expenses	27,047	Note 2	0.49%
Generalplus Technology	Generalplus H.K.	2	Selling and marketing expenses	10,849	Note 2	0.20%
			Other payables	2,535	Note 3	0.02%
	Generalplus (Shenzhen)	2	Sales	77,989	Note 2	1.41%
			Research and development expenses	76,124	Note 2	1.38%
			Notes receivable and trade receivables	5,210	Note 1	0.04%
			Other payables	21,195	Note 3	0.15%
	Sunplus Innovation Technology	2	Sales	115	Note 1	-
Sunplus Shanghai	Chongqing CQ Plus 1	2	Research and development expenses	1,779	Note 2	0.03%
	SunMedia	2	Other receivables	326,256	Note 3	2.34%
			Interest revenue	5,428	Note 2	0.10%
			Research and development expenses	3,205	Note 2	0.06%
	Giant Rock	2	Other receivables	3,462	Note 3	0.02%
	Sunplus Prof-tek (Shenzhen)	2	Other receivables	116,829	Note 2	0.84%

(Continued)

Company Name	Counterparty	Flow of Transactions (Note 5)	Intercompany Transactions			
			Financial Statement Account Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
Sunplus Prof-tek (Shenzhen)	Worldplus (Shenzhen)	2	Non-operating income	$ 9,660	Note 1	0.17%
Lin Shin Investment	SunMedia	2	Other receivables	61,569	Note 3	0.44%
			Interest revenue	3,967	Note 2	0.07%
Sunplus Venture Capital	SunMedia	2	Interest revenue	846	Note 2	0.02%
Beijing Sunplus-EHue	SunMedia	2	Sales	7,411	Note 1	0.13%
Sunplus App	Beijing Sunplus - EHue	2	Notes receivable and trade receivables	1,643	Note 1	0.01%
			General and administrative expenses	343	Note 2	-
			Refundable deposits	16	Note 2	-

Note 1: The transactions were based on normal commercial prices and terms.

Note 2: The prices were based on negotiations; the payment period and related terms were not comparable to market terms.

Note 3: The transaction payment terms were similar to normal commercial terms.

Note 4: Lease transaction terms were based on negotiations, and were thus not comparable to market terms. The transactions between the Company and counterparty were made under normal terms.

Note 5: 1 - From parent company to subsidiary.

2 - Between subsidiaries.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Sunplus	Ventureplus Group	Belize	Investment	$ 2,454,740 (US$ 74,605 RMB$ 37,900)	$ 2,454,740 (US$ 74,605 RMB$ 37,900)	80,821,284	100	$ 1,728,967	$ 53,636	$ 59,393	Subsidiary
	Award Glory	Belize	Investment	322,577 (US$ 7,072 RMB$ 24,366)	290,272 (US$ 7,072 RMB$ 16,900)	9,566,874	100	310,129	(87,133)	(87,133)	Subsidiary
	Global View	New Taipei, Taiwan	Consumer electronics, components and rental of buildings	315,658	315,658	8,229,457	13	324,338	64,208	8,388	Investee
	Lin Shin Investment	Hsinchu, Taiwan	Investment	699,988	699,988	70,000,000	100	874,981	118,601	116,466	Subsidiary
	Generalplus Technology	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324,304	34	715,498	167,985	57,620	Subsidiary
	Sunplus Venture Capital	Hsinchu, Taiwan	Investment	1,109,982	829,982	123,748,800	100	1,462,835	68,758	68,758	Subsidiary
	Sunplus Innovation Technology	Hsinchu, Taiwan	Design of ICs	273,941	273,941	29,265,751	50	1,171,070	427,789	215,355	Subsidiary
	Russell	Cayman Islands, British West Indies	Investment	-	926,830 (US$ 30,185)	-	-	-	4,658	4,658	Subsidiary (Note 3)
	iCatch Technology	Hsinchu, Taiwan	Design of ICs	127,345	127,345	12,734,546	13	276,717	64,498)	9,841)	Investee
	Sunplus mMedia	Hsinchu, Taiwan	Design of ICs	407,565	407,565	22,440,723	90	22,553	(126)	(114)	Subsidiary
	Sunplus Management Consulting	Hsinchu, Taiwan	Management	5,000	5,000	500,000	100	3,027	(166)	(166)	Subsidiary
	Sunplus Technology (H.K.)	Kowloon Bay, Hong Kong	International trade	-	43,541 (HK$ 11,075)	-	-	-	-	-	Subsidiary (Note 4)
	Sunplus mMobile	Hsinchu, Taiwan	Design of ICs	-	2,596,792	-	-	-	(15,000)	(15,000)	Subsidiary (Note 2)
	Wei-Young Investment	Hsinchu, Taiwan	Investment	140,157	70,157	12,400,000	100	116,175	8,016	8,016	Subsidiary
	Jumplux Technology	Hsinchu, Taiwan	Design of ICs	132,000	132,000	13,200,000	55	31,750	51,533	28,343	Subsidiary
	AkiraNET	Taipei, Taiwan	Information software service	174,000	174,000	17,400,000	17	84,102	(454,737)	(88,910)	Investee
	DeepLux Technology, Inc.	America	Design of ICs	3,071 (US$ 100)	-	3,806	25	3,217	834	174	Investee
	WiSilicon Innovation	Hsinchu, Taiwan	Design of ICs	13,500	-	3,000,000	38	8,440	3,171	(5,060)	Investee
	AutoSys Co., Ltd.	Cayman Islands, British West Indies	Investment	76,763 (US$ 2,500)	-	5,000,000	16	64,783	(38,239)	(3,701)	Investee (Note 3)
Lin Shin Investment	Generalplus Technology	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892,301	14	286,644	167,985	22,990	Subsidiary
	Sunplus Innovation Technology	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,074,664	2	40,777	427,789	7,908	Subsidiary
	iCatch Technology	Hsinchu, Taiwan	Design of ICs	9,645	9,645	964,545	1	22,758	(64,498)	(653)	Investee
	Sunplus mMedia	Hsinchu, Taiwan	Design of ICs	19,408	19,408	650,185	3	5,317	(126)	(3)	Subsidiary
	GlintMed Innovation	Hsinchu, Taiwan	Investment management consultant	1,250	1,250	125,000	13	382	(1,677)	(210)	Investee
Sunplus Venture Capital	Jumplux Technology.	Hsinchu, Taiwan	Design of ICs	101,000	101,000	10,100,000	42	24,291	51,533	21,685	Subsidiary
	Sunplus Innovation Technology	Hsinchu, Taiwan	Design of ICs	60,588	60,588	2,923,513	5	117,978	427,789	21,513	Subsidiary
	iCatch Technology	Hsinchu, Taiwan	Design of ICs	33,439	33,439	3,331,818	4	78,612	(64,498)	(2,254)	Investee
	Sunplus mMedia	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909,092	8	365	(126)	(10)	Subsidiary
	eNeural Technologies, Inc.	Hsinchu, Taiwan	Software development	37,500	-	15,000,000	35	35,103	(13,244)	(4,455)	Investee
	GlintMed Innovation	Hsinchu, Taiwan	Investment management consultant	1,250	1,250	125,000	12	382	(1,677)	(210)	Investee
Russell	Autosys Co., Ltd.	Cayman Islands, British West Indies	Investment	-	76,763 (US$ 2,500)	-	-	-	(38,239)	(2,511)	Investee (Note 3)
Ventureplus Group	Ventureplus Mauritius	Mauritius	Investment	2,454,740 (US$ 74,605 RMB$ 37,900)	2,454,740 (US$ 74,605 RMB$ 37,900)	8,082,129	100	1,757,803	53,636	53,636	Subsidiary
Ventureplus Mauritius	Ventureplus Cayman	Cayman Islands, British West Indies	Investment	2,454,740 (US$ 74,605 RMB$ 37,900)	2,454,740 (US$ 74,605 RMB$ 37,900)	80,821,284	100	1,757,781	53,636	53,636	Subsidiary
Generalplus Technology	Generalplus Samoa	Samoa	Investment	586,158 (US$ 19,090)	586,158 (US$ 19,090)	19,090,000	100	535,806	13,719	13,719	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Generalplus Samoa	Generalplus Mauritius	Mauritius	Investment	$ 586,158 (US$ 19,090)	$ 586,158 (US$ 19,090)	19,090,000	100	$ 543,232	$ 13,719	$ 13,719	Subsidiary
Generalplus Mauritius	Generalplus H.K.	Hong Kong	Marketing	11,975 (US$ 390)	11,975 (US$ 390)	-	100	9,922	(1,598)	(1,598)	Subsidiary
Award Glory	Sunny Fancy	Seychelles	Investment	322,577 (US$ 7,072 RMB$ 24,366)	290,272 (US$ 7,072 RMB$ 16,900)	9,566,874	100	310,129	(87,133)	(87,133)	Subsidiary
	Giant Rock	Anguilla	Investment	188,335 (US$ 2,700 RMB$ 24,366)	156,030 (US$ 2,700 RMB$ 16,900)	5,194,948	100	216,175	(73,395)	(73,395)	Subsidiary
	Worldplus	America	Investment	110,538 (US$ 3,600)	110,538 (US$ 3,600)	100	100	93,760	(13,708)	(13,708)	Subsidiary

Note 1: The initial exchange rate was based on the exchange rate as of December 31, 2023.

Note 2: The liquidation of Sunplus mMobile on June 15, 2023.

Note 3: The liquidation completion date of Russell Holdings Limited was on July 24, 2023, the investment company, AutoSys Co., Ltd. continues to be held by Sunplus.

Note 4: The liquidation of Sunplus HK on December 1, 2023.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Loss (Note 2)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Sunplus Shanghai	Software development, customer technical services, leasing business and property management	$ 528,126 (US$ 17,200)	Note 1	$ 542,097 (US$ 17,655)	$ -	$ -	$ 542,097 (US$ 17,655)	100%	$ 52,202	$ 52,202	$ 709,127	$ -
Sunplus Prof-tek (Shenzhen)	Software development, customer technical services, leasing business, property management and corporate management	990,236 (US$ 32,250)	Note 1	990,236 (US$ 32,250)	-	-	990,236 (US$ 32,250)	100%	12,389	12,389	746,624	-
SunMedia	Software development, customer technical services, leasing business and property management	614,100 (US$ 20,000)	Note 1	614,100 (US$ 20,000)	-	-	614,100 (US 20,000)	100%	(10,675)	(10,675)	194,397	-
Sunplus App	Electronic component sales and information management education services	168,753 (RMB$ 39,000)	Note 1	168,573 (US$ 586 RMB$ 34,800)	-	-	168,573 (US$ 568 RMB$ 34,800)	100%	(944)	(923)	1,442	-
Beijing Sunplus-EHue	Software development, customer technical services, leasing business and property management	116,829 (RMB$ 27,000)	Note 1	116,829 (RMB$ 27,000)	-	-	116,829 (RMB$ 27,000)	100%	1,450	1,450	53,080	-
Worldplus Technology (Shenzhen) Co., Ltd	Software development, building reutal and property management	82,382 (RMB$ 19,039)	Note 4	110,538 (US$ 3,600)	-	-	110,538 (US$ 3,600)	100%	(12,376)	(13,708)	93,760	-
Chongqing CQPlus1	Development of computer software, IC design	$ 173,080 (US$ 40,000)	Note 3	-	-	-	-	100%	(954)	(101)	174,707	-

Accumulated Investment in Mainland China as of December 31, 2023 (Notes 5 and 6)	Investment Amounts Authorized by the Investment Commission, MOEA	Limit on Investment
$ 2,724,638 (US$ 79,872 RMB 62,900)	$ 2,729,732 (US$ 80,052 RMB 62,800)	$ 5,091,131

Sunplus Venture Capital

Accumulated Investment in Mainland China as of December 31, 2023 (Note 6)	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$ 94,786 (US$ 3,087)	$ 94,786 (US$ 3,087)	$ 877,701

Lin Shin Investment

Accumulated Investment in Mainland China as of December 31, 2023 (Note 7)	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$ 28,586 (US$ 931)	$ 28,586 (US$ 931)	$ 598,360

(Continued)

Generalplus Technology (Nature of Relationship: 1)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	% Ownership of Direct or Indirect Investment	Net Loss of the investee	Investment Loss (Note 2)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Generalplus Shenzhen	Design of ICs, after sales service and marketing research	$ 574,184 (US$ 18,700)	Note 1	$ 574,184 (US$ 18,700)	$ -	$ -	$ 574,184 (US$ 18,700)	100%	$ 15,317	$ 15,317	$ 533,290	$ -

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Limit on Investment
$ 574,184 (US$ 18,700)	$ 574,184 (US$ 18,700)	$ 1,268,485

Note 1: Indirect investment in a company located in mainland China through investment in a company located in a third country.

Note 2: Based on the reviewed financial statements of investees in the same period.

Note 3: Sunplus pro-tek (Shenzhen) reinvested in a company located in mainland China.

Note 4: It is a company located in mainland China that acquired the investment of the third regional investment company on September 2, 2019.

Note 5: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs includes the investment business of Xiamen Xm-plus Technology Co., Ltd. in mainland China, and is included in the financial assets at FVTPL-non-current.

Note 6: Due to the adjustment of the organizational structure of the Group, the Company obtained the approval of the Investment Review Committee of the Ministry of Economic Affairs to invest in the equity of Xiamen Xm-plus Technology Co., Ltd. On October 18, 2023. The Company remitted RMB 7,466 thousand on November 30, 2023. Part of the equity originally held by Sunplus Shanghai was changed to Giant Rock Inc., the amount of which did not include RMB 7,466 thousand.

Note 7: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs includes the investment business of Sanneng-Group Holding Company in mainland China, and CSVI Ventures, L.P, and is included in the financial assets at FVTPL-non-current.

Note 8: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs includes the investment business of Arizon RFID Technology (Cayman) Co., Ltd in mainland China, and is included in the financial assets at FVTPL-current.

Note 9: The original foreign currency was derived from the exchange rate on December 31, 2023.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars,)

Investee Company	Transaction Type	Research and Development Expense		Price	Transaction Details		Notes/Trade Receivables (Payables)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Market Transactions	Ending Balance	%		
Generalplus Shenzhen	Development and processing services	$ 76,124	16.65	Based on contract	Based on contract	Not comparable with market transactions	$ 21,195	89.28	$ -	NA
	Sales	77,990	3.70	Based on contract	Based on contract	Not comparable with market transactions	15,210	4.19	57	NA
Chongqing CQPlus1	Purchases	9,294	4.31	Based on contract	Based on contract	Not comparable with market transactions	-	-	5,757	NA
	Manufacturing expense	3,181	1.34	Based on contract	Based on contract	Not comparable with market transactions	-	-	-	NA
SunMedia	Development and processing services	103,542	7.76	Based on contract	Based on contract	Not comparable with market transactions	(26,100)	48.31	-	NA
Sunplus Prof-tek (Shenzhen)	Processing services	110,665	8.30	Based on contract	Based on contract	Not comparable with market transactions	(27,922)	51.69	-	NA

TABLE 8

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 truster 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.