

Stock code : 2401



**SUNPLUS TECHNOLOGY CO., LTD.
2024 ANNUAL GENERAL SHAREHOLDERS' MEETING**

MEETING Handbook
(Translation in English—Original in Chinese)

Date: June 12, 2024
Place: Newton Hall, Science Park Life Hub,
No.1, Gongye E. 2nd Rd., East Dist., Hsinchu City 300, Taiwan
Convening method: Physical shareholders' meeting

Please Read the Following Notice Before Using the Meeting Agenda

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

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

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

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Sunplus Technology Co., Ltd.
2024 Annual General Shareholders' Meeting
Meeting Procedure

- I. Call the Meeting to Order
- II. Chairman's Address
- III. Report Items
- IV. Proposals
- V. Elections
- VI. Discussion Items
- VII. Extemporaneous Motions
- VIII. Meeting Adjourned

Sunplus Technology Co., Ltd.
2024 Annual General Shareholders' Meeting
Meeting Agenda

1. Convening method: Physical shareholders' meeting
2. Time: 9:00a.m., June 12, 2024 (Wednesday)
3. Place: Newton Hall, Science Park Life Hub
No.1, Gongye E. 2nd Rd., East Dist., Hsinchu City 300, Taiwan
(Hsinchu Science Park Science and Technology Living Hall)
4. Chairman: Chou-Chye Huang, Chairman of the Board of Directors
5. Chairman's Address
6. Report Items
 - i. 2023 Business Report.
 - ii. Audit Committee's Review Report.
7. Proposals
 - i. Adoption of the 2023 Business Report and Financial Statements.
 - ii. Adoption of the Proposal for 2023 Deficit Compensation.
8. Elections
 - i. Re-election of the Company's 13th Directors (including Independent Directors)
9. Discussion Items
 - i. Proposal to Lift Restrictions on Competition for Newly Appointed Directors (including Independent Directors) and Their Representatives.
10. Extemporaneous Motions
11. Meeting Adjourned

REPORT ITEMS

(1) 2023 Business Report

Explanatory Notes:

The 2023 Business Report is attached hereto as ANNEX 1 (See pages 11 to 12 for details).

(2) Audit Committee's Review Report

Explanatory Notes:

The Audit Committee's Review Report is attached hereto as ANNEX 2 (See pages 13 for details).

PROPOSALS

(1) Adoption of the 2023 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Explanatory Notes:

1. Sunplus' 2023 Financial Statements were approved by the Company's audit committee and Board Meeting on March 13, 2024 and audited by independent auditors.
2. The 2023 Business Report, the Independent Auditors' Report and Financial Statements are attached hereto as ANNEX 1 (see pages 11 to 12) and ANNEX 3 to 4 (see pages 14 to 34).

Resolution:

(2) Adoption of the Proposal for 2023 Deficit Compensation.

(Proposed by the Board of Directors)

Explanatory Notes:

1. Due to the net losses in fiscal years 2023, the company has no dividends available for distribution this year.
2. Please refer to Appendix 5 of this manual for the deficit compensation statement for fiscal years 2023 (see page 35 for details).

Resolution:

ELECTIONS

(1)The proposal for the re-election of the 13th Board of Directors (including independent directors).

(Proposer: the Board of Directors)

Explanatory Notes:

1. The 12th Board of Directors of our company (including independent directors) serves a term of three years, from July 20, 2021, to the expiration on July 19, 2024. It is proposed to elect the 13th Board of Directors (including independent directors) at the shareholder's annual meeting in 2024.
2. According to the articles of association of our company, the 13th Board of Directors proposes to elect seven directors (including four independent directors), and the Audit Committee will be composed of all newly appointed independent directors.
3. The 13th Board of Directors (including independent directors) serves a term of three years, from June 12, 2024, to June 11, 2027, and is eligible for reelection. The 12th Board of Directors (including independent directors) will step down on June 12, 2024, the day the 13th Board of Directors is elected.
4. In accordance with Article 18 of the company's articles of Incorporation, director elections are conducted through a candidate nomination system. The company convened a board meeting on May 2, 2024, to review the qualifications of director candidates (including independent directors). During the meeting, the qualifications of the director candidates (including independent directors) were approved. The relevant information is detailed below:

Candidate Category	Name	Number of Shares Held	Major Educational Background or Experience	Reasons for Continuing to Nominate as Independent Director for Three Consecutive Terms
Director	Chou-Chye Huang	92,737,817	Master's Degree in Electrical Engineering from Tsinghua University; Chairman and CEO of Sunplus Technology Co., Ltd.	Not Applicable
Director	TAIWAN LAF' E CO., LTD representative : Wen-Hsiung Jan	10,000	Master's Degree in International Business from National Taiwan University; Chairman of Advanced Echem Materials Company Limited (AEMC)	Not Applicable
Director	GLOBAL VIEW Co., Ltd.	10,038,049	Director of Sunplus Technology Co., Ltd.	Not Applicable
Director	Chih-Chieh Tsai	0	Master's Degree in Business Administration from National Taipei University; CPA and Director, Jianda Accounting Firm ; Director and President of GLOBAL VIEW Co., Ltd.	Not Applicable
Independent Director	Tse-Jen Huang	0	Master's Degree in Finance EMBA Management from	Considering Mr. Huang Zeren's expertise in

Candidate Category	Name	Number of Shares Held	Major Educational Background or Experience	Reasons for Continuing to Nominate as Independent Director for Three Consecutive Terms
			National Taiwan University of Science and Technology; Shengxin United Certified Public Accountants, practicing accountant and managing partner.	finance and taxation, his familiarity with relevant laws, and his experience in corporate governance, he is deemed to be of significant benefit to our company. Therefore, Mr. Huang Zeren is nominated to continue serving as an independent director candidate.
Independent Director	Rui-Qi Chen	0	Bachelor's Degree in Law from National Taiwan University Master's Degree in Science and Digital Learning from the College of Science at National Chiao Tung University Lawyer at WTW International Law Firm	Not applicable
Independent Director	Cong-Ling Guo	0	Master's Degree in Computer Engineering from Penn State University Wayne Lo - President of BIG Innovation Company, Ltd. CEO	Not applicable
Independent Director	Shu-Jun Huang	0	EMBA from the Graduate Institute of Business Administration, National Taiwan University Master's Degree in Technology Management from National Chiao Tung University CHOICE DELIGHTS INCORPORATED Chairman Qisda Corporation Independent Director	Not applicable

5. Please refer to Appendix Three of this handbook for Election Procedures for Board of Directors (see page 46 for details).

6. Please proceed with the election.

Election Results:

DISCUSSION ITEMS

(1) Proposal to Lift Restrictions on Competition for Newly Appointed Directors (including Independent Directors) and their Representatives.

(Proposed by the Board of Directors)

Explanatory Notes:

- A. According to Article 209 of the Company Act, directors, when engaging in acts within the scope of the company's business on behalf of themselves or others, shall explain the significant content of their actions to the shareholders' meeting and obtain a resolution of approval from the shareholders' meeting.
- B. The directors of this company, due to business needs or investment, may engage in activities involving investment or management in other companies that operate within the same or similar scope of business as this company, as directors or executives. We propose to lift the restrictions on competition for the newly appointed directors (including independent directors) of the 13th term. Please refer to ANNEX 6 of this handbook for the list of individuals for whom the restrictions are proposed to be lifted (see pages 36 to 37). We request the shareholders' meeting to deliberate on this matter.

Resolution:

EXTEMPORARY MOTIONS

MEETING ADJOURNED

BUSINESS REPORT

2023 Business Results

Sunplus consolidated net operating revenue totaled NT\$5,535 million and the gross profit were NT\$2,524 million in 2023. While R&D expense totaled NT\$2,040 million and the G&A expenses were NT\$512 million, marketing expense were NT\$218 million, The net loss was NT\$247 million in 2023. Including total non-operating net income NT\$161 million, The pre-tax net loss were NT\$86 million. Excluding the income tax expense NT\$135 million, net loss after tax of the year totaled NT\$221 million, the net loss attributable to the owners of the Company were NT\$493 million which the Loss per Share after tax for 2023 was NT\$0.84.

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

Non-operating revenue decreased from NT\$ 594 million in 2022 to NT\$ 161 million in 2023, mainly due to the disposal of equity method company interests in 2023, which will decrease by NT\$449 million yuan compared with 2022.

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

PRODUCTS R&D, TECHNOLOGIES AND OUTLOOK

Sunplus technology mergers and acquisitions of major individuals, including Sunplus Technology, Generplus Technology, Sunplus Innovation Technology, Jumplux Technology, and mainland subsidiaries.

Sunplus is deeply engaged in automotive chips and intelligent surround sound chips. Automotive chips include intelligent cockpit (IVI, Display Audio), Advanced Driver Assistance Systems (AVM, DMS, ADAS), and in-car acoustics (Auto-EQ, EC/NR). Intelligent surround sound chips include products such as Soundbar, Gaming Soundbar, Party Speaker, and Speakerphone. In addition to the above two categories and audio-visual entertainment systems, Sunplus also offers intelligent computing chips Plus1 suitable for AIoT applications, as well as high-speed interfaces, data converters, and analog IP licensing. In addition to the In-Vehicle Infotainment (IVI) systems, Sunplus has also introduced products that integrate IVI with the dashboard and IVI with Advanced Driver Assistance Systems (ADAS) to enhance the functionality and value of automotive products. For SoundBar, besides incorporating Bluetooth wireless transmission into the product line, Sunplus is also actively promoting PC/Gaming Soundbar. The sales growth of these new products will be the main driver of revenue and profit growth for Sunplus.

The intelligent computing chip Plus1 significantly reduces the development threshold for Edge Computing applications. With the development of a 12-nanometer chip with AI capabilities, it will be the optimal solution for small-scale diversified AIoT startups. Many innovative applications will be commercialized to benefit the public.

Generplus's main product lines include consumer ICs, multimedia ICs, and MCUs. In the consumer IC segment, they have developed a new generation of 4-bit Reduced Instruction Set CPU voice synthesis control ICs and 16-bit voice microcontroller signal processors ICs, providing customers with high-performance and cost-effective voice/music synthesis solutions. In the multimedia product segment, they have developed a 22-nanometer 32-bit high-end multimedia open application platform SoC, which integrates Cortex-A7 CPU, 3D GPU, next-generation deep learning engine, high-speed audio/video interfaces, etc., assisting customers in developing various audiovisual applications such as human-machine interface platforms and edge computing platforms. In the MCU product segment, they have developed a 55-nanometer 32-bit Flash MCU, which integrates high-bandwidth operational amplifiers and high-speed digital-to-analog converters IP, providing high-performance and cost-effective MCU solutions.

In 2023, 82% of Sunplus Innovation Technology's sales revenue came from built-in cameras related to NB (Notebook) devices, while 18% came from USB external camera devices, dashcams, dashcams, high-speed cameras, IOT, and other related products. Amidst unclear market visibility, the company will continue to improve the efficiency of technology research and development and product development, while continuing to deepen its presence in the AI machine vision field.

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

EXTERNAL COMPETITION, REGULATIONS, AND OVERALL ECONOMIC ENVIRONMENT

Looking back at 2023, impacted by global inflation, the US-China trade war, geopolitical tensions, and economic downturn in China, market consumer demand fell short of expectations. Sunplus experienced its first loss in many years amid this significant upheaval. Facing these challenges, apart from providing customers with more cost-effective products to continuously reduce inventory, Sunplus continues to invest in research and development resources. The group will persist in investing in technology and product development, accelerating the development of new products and applications to cope with market competition and establish a competitive advantage.

Looking ahead to 2024, uncertainties such as the duration of the Russia-Ukraine war, the trajectory of global inflation, and the potential recovery of the Chinese economy make economic development fraught with variables and challenges. The bottleneck to industry growth is no longer found in the outsourcing of wafer fabrication or packaging testing, but rather in the demand generated by economic growth. The company will closely monitor changes in the international economic environment, adjust the pace of product development in a timely manner, and adapt to market demand.

Future company development strategy

Sunplus Technology and all entities within the group will continue to deepen their core competencies in various fields, develop new products, and actively invest in advanced technologies to enhance product value and explore new products and markets. By adjusting and optimizing product lines and investments, observing market trends, and actively expanding into new markets, we aim to improve performance both within and outside our core business, thereby accumulating new growth momentum. We hope to turn losses into profits and reward our shareholders for their long-term support.

Chairman of the Board:

Manager:

Accountant:

AUDIT COMMITTEE'S REVIEW REPORT

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

Please check

Sincerely

To Sunplus Technology 2024 Annual General Shareholders' Meeting

Chairman of the Audit Committee: Tse-Jen Huang

March 13, 2024

SUNPLUS TECHNOLOGY COMPANY LIMITED

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sunplus Technology Company Limited as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

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

Occurrence of Revenue from Specific Customers

Integrated circuit chip sales accounted for 95% of Sunplus Technology Company Limited's total revenue. Among them revenue declined in 2023, some of the customers whose revenue has grown significantly and significant amount carry a higher risk related to the occurrence of sales revenue. Therefore, we considered the occurrence of revenue as a key audit matter. For detailed disclosure of revenue, refer to Notes 4 and 21 to the accompanying consolidated financial statements.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the audit committee) are responsible for overseeing Sunplus Technology Company Limited's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2024

Notice to Readers

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022 (Restated)	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 444,895	4	\$ 446,666	4
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	35,087	-	59,120	1
Trade receivables, net (Notes 4, 5, 9, 21 and 28)	148,866	2	185,771	2
Other receivables (Notes 4 and 28)	56,327	1	83,579	1
Inventories (Notes 4 and 10)	598,840	6	977,619	9
Other financial assets - current (Notes 15 and 25)	-	-	43,610	-
Other current assets (Note 15)	43,124	-	54,419	-
Total current assets	1,327,139	13	1,850,784	17
NON-CURRENT ASSETS				
Financial assets at FVTPL - non-current (Notes 4 and 7)	658,569	6	276,006	3
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	91,766	1	-	-
Investments accounted for using the equity method (Notes 4 and 11)	7,198,582	70	7,722,878	70
Property, plant and equipment (Notes 4, 12, 29 and 30)	680,224	7	744,972	7
Right-of-use assets (Notes 4 and 13)	156,686	2	163,350	1
Intangible assets (Notes 4 and 14)	133,241	1	187,370	2
Deferred tax assets (Notes 4 and 23)	2,485	-	2,485	-
Net defined benefit assets - non-current (Notes 4 and 19)	40,513	-	31,993	-
Other financial assets- non-current (Notes 15 and 30)	10,500	-	12,343	-
Other non-current assets (Note 15)	9,037	-	9,095	-
Total non-current assets	8,981,603	87	9,150,492	83
TOTAL	\$ 10,308,742	100	\$ 11,001,276	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 21)	\$ 8,439	-	\$ 14,027	-
Accounts payable (Notes 17 and 30)	63,452	1	172,388	2
Lease liabilities - current (Notes 4 and 13)	5,316	-	5,169	-
Current portion of long-term bank borrowings (Note 16)	270,295	3	-	-
Other current liabilities (Notes 18 and 30)	351,780	3	329,998	3
Total current liabilities	699,282	7	521,582	5
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	929,705	9	1,000,000	9
Lease liabilities - non-current (Notes 4 and 13)	159,761	2	165,077	2
Guarantee deposits	34,775	-	46,820	-
Other liabilities (Note 18)	-	-	5,709	-
Total non-current liabilities	1,124,241	11	1,217,606	11
Total liabilities	1,823,523	18	1,739,188	16
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (NOTES 4 AND 20)				
Share capital				
Ordinary shares	5,919,949	57	5,919,949	54
Capital surplus	1,160,931	11	1,197,373	11
Retained earnings				
Legal reserve	1,898,136	19	1,870,234	17
Special reserve	180,682	2	239,203	2
(Accumulated deficit) unappropriated earnings	(486,919)	(5)	279,413	3
Total retained earnings	1,591,899	16	2,388,850	22
Other equity	(124,159)	(1)	(180,683)	(2)
Treasury shares	(63,401)	(1)	(63,401)	(1)
Total equity	8,485,219	82	9,262,088	84
TOTAL	\$ 10,308,742	100	\$ 11,001,276	100

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

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

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

	2023		2022 (Restated)	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 21 and 29)	\$ 1,132,485	100	\$ 1,381,041	100
OPERATING COSTS (Notes 10, 22 and 29)	<u>826,378</u>	<u>73</u>	<u>920,161</u>	<u>67</u>
GROSS PROFIT	<u>306,107</u>	<u>27</u>	<u>460,880</u>	<u>33</u>
OPERATING EXPENSES (Notes 22 and 29)				
Selling and marketing expenses	86,356	8	98,712	7
General and administrative expenses	182,195	16	211,263	15
Research and development expenses	<u>1,065,224</u>	<u>94</u>	<u>1,035,650</u>	<u>75</u>
Total operating expenses	<u>1,333,775</u>	<u>118</u>	<u>1,345,625</u>	<u>97</u>
LOSS FROM OPERATIONS	<u>(1,027,668)</u>	<u>(91)</u>	<u>(884,745)</u>	<u>(64)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 11, 22, 25 and 29)				
Interest income	4,591	-	1,800	-
Other income	55,336	5	186,254	13
Other gains and losses	147,616	13	331,430	24
Finance costs	(30,260)	(3)	(13,975)	(1)
Share of profit or loss of subsidiaries and associates	<u>357,246</u>	<u>32</u>	<u>593,311</u>	<u>43</u>
Total non-operating income and expenses	<u>534,529</u>	<u>47</u>	<u>1,098,820</u>	<u>79</u>
(LOSS) PROFIT BEFORE INCOME TAX	(493,139)	(44)	214,075	15
INCOME TAX EXPENSE (Notes 4 and 23)	<u>8</u>	<u>-</u>	<u>194</u>	<u>-</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(493,147)</u>	<u>(44)</u>	<u>213,881</u>	<u>15</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss (Notes 4, 19 and 20):				
Remeasurement of defined benefit plans	4,200	-	27,762	2
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	61,279	5	-	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	50,547	5	(29,155)	(2)

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED

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

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

	2023		2022 (Restated)	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss (Notes 4 and 20):				
Exchange differences on translation of the financial statements of foreign operations	\$ 12,510	1	\$ 81,686	6
Share of other comprehensive (loss) income of subsidiaries and associates accounted for using the equity method	<u>(39,826)</u>	<u>(3)</u>	<u>29,332</u>	<u>2</u>
Other comprehensive income for the year, net of income tax	<u>88,710</u>	<u>8</u>	<u>109,625</u>	<u>8</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (404,437)</u>	<u>(36)</u>	<u>\$ 323,506</u>	<u>23</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	(493,147)	(44)	215,899	15
Non-controlling interests	<u>-</u>	<u>-</u>	<u>(2,018)</u>	<u>-</u>
	<u>\$ (493,147)</u>	<u>(44)</u>	<u>\$ 213,881</u>	<u>15</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	(404,437)	(36)	325,524	23
Non-controlling interests	<u>-</u>	<u>-</u>	<u>(2,018)</u>	<u>-</u>
	<u>\$ (404,437)</u>	<u>(36)</u>	<u>\$ 323,506</u>	<u>23</u>
(LOSS) EARNINGS PER SHARE (Note 24)				
Diluted earnings per share	<u>\$ (0.84)</u>		<u>\$ 0.37</u>	
Basic earnings per share	<u>\$ (0.84)</u>		<u>\$ 0.37</u>	

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

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	<u>Share Capital Issued and Outstanding</u>		<u>Retained Earnings</u>				<u>Unappropriated Earnings</u> <u>(Accumulated</u>	<u>Equity Directly Associated with Non-current Assets</u> <u>Held for Sale</u>	<u>Other Equity</u>		<u>Treasury Shares</u>	<u>Total</u>	<u>Non-controlling Interests</u>	<u>Total Equity</u>
			<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Deficit</u>	<u>Exchange Differences on Translating the Financial Statements of Foreign Operations</u>			<u>Unrealized Gain (Losses) on Financial Assets</u>					
	<u>Share (Thousands)</u>	<u>Amount</u>				<u>Capital Surplus</u>								
BALANCE AT JANUARY 1, 2022	591,995	\$ 5,919,949	\$ 1,223,544	\$ 1,745,279	\$ 261,078	\$ 1,249,574	\$ 21,517	\$ (259,512)	\$ 20,309	\$ (63,401)	\$ 10,118,337	\$ -	\$ 10,118,337	
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	-	-	-	-	-	20,481	20,481	
BALANCE AT JANUARY 1, 2022 AS RESTATED	591,995	5,919,949	1,223,544	1,745,279	261,078	1,249,574	21,517	(259,512)	20,309	(63,401)	10,118,337	20,481	10,138,818	
Appropriation of the 2021 earnings														
Legal reserve	-	-	-	124,955	-	(124,955)	-	-	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	(1,146,102)	-	-	-	-	(1,146,102)	-	(1,146,102)	
Reversal of special reserve	-	-	-	-	(21,875)	21,875	-	-	-	-	-	-	-	
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	27,879	-	-	-	(21,517)	-	-	-	6,362	-	6,362	
Issuance of share dividends from capital surplus	-	-	(37,888)	-	-	-	-	-	-	-	(37,888)	-	(37,888)	
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	-	12,017	-	-	12,017	-	12,017	
Difference between consideration and carrying amount of the subsidiaries during actual disposal or acquisition	-	-	(922)	-	-	-	-	-	-	-	(922)	-	(922)	
Changes in percentage of ownership interests in subsidiaries	-	-	(22,360)	-	-	-	-	-	-	-	(22,360)	-	(22,360)	
Net profit for the year ended December 31, 2022	-	-	-	-	-	215,899	-	-	-	-	215,899	(2,018)	213,881	
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	26,534	-	111,018	(27,927)	-	109,625	-	109,625	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	242,433	-	111,018	(27,927)	-	325,524	(2,018)	323,506	
Adjustments to capital surplus for the Company cash dividends received by subsidiaries	-	-	7,120	-	-	-	-	-	-	-	7,120	-	7,120	
Reduction in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(18,463)	(18,463)	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	36,588	-	-	(36,588)	-	-	-	-	
BALANCE AT DECEMBER 31, 2022	591,995	5,919,949	1,197,373	1,870,234	239,203	279,413	-	(136,477)	(44,206)	(63,401)	9,262,088	-	9,262,088	
Appropriation of the 2022 earnings														
Legal reserve	-	-	-	27,902	-	(27,902)	-	-	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	(309,613)	-	-	-	-	(309,613)	-	(309,613)	
Reversal of special reserve	-	-	-	-	(58,521)	58,521	-	-	-	-	-	-	-	
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	21,249	-	-	-	-	-	-	-	21,249	-	21,249	
Issuance of share dividends from capital surplus	-	-	(45,584)	-	-	-	-	-	-	-	(45,584)	-	(45,584)	
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	-	(26,377)	-	-	(26,377)	-	(26,377)	
Changes in percentage of ownership interests in subsidiaries	-	-	(14,244)	-	-	-	-	-	-	-	(14,244)	-	(14,244)	
Net loss for the year ended December 31, 2023	-	-	-	-	-	(493,147)	-	-	-	-	(493,147)	-	(493,147)	
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	5,809	-	(27,316)	110,217	-	88,710	-	88,710	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(487,338)	-	(27,316)	110,217	-	(404,437)	-	(404,437)	
Adjustments to capital surplus for the Company cash dividends received by subsidiaries	-	-	2,137	-	-	-	-	-	-	-	2,137	-	2,137	
BALANCE AT DECEMBER 31, 2023	591,995	\$ 5,919,949	\$ 1,160,931	\$ 1,898,136	\$ 180,682	\$ (486,919)	\$ -	\$ (190,170)	\$ 66,011	\$ (63,401)	\$ 8,485,219	\$ -	\$ 8,485,219	

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before income tax	\$ (493,139)	\$ 214,075
Adjustments for:		
Depreciation expense	193,706	159,068
Amortization expense	83,842	96,271
Net (gain) loss on the fair value change of financial assets at FVTPL	(94,023)	207,514
Financial costs	30,260	13,975
Interest income	(4,591)	(1,800)
Dividends income	(2,853)	(78,400)
Share of profit of subsidiaries and associates	(357,246)	(593,311)
Gain on disposal of subsidiaries	(19,485)	(73,962)
Gain on disposal of associates	-	(449,000)
Impairment loss recognized on financial assets	6,009	6,826
Impairment loss recognized on non-financial assets	-	457
Unrealized gain on the transactions with subsidiaries and associates	(1,388)	(1,387)
Net loss (gain) on foreign currency exchange	3,655	(9,515)
Changes in operating assets and liabilities:		
Decrease in trade receivables	32,391	80,752
Decrease (increase) in other receivables	53,427	(7,924)
Decrease (increase) in inventories	378,779	(438,295)
Decrease in other current assets	9,068	20,024
Increase in net defined benefit assets - non-current	(8,520)	(27,440)
(Decrease) increase in contract liabilities	(5,588)	2,067
Decrease in trade payables	(107,937)	(122,140)
Increase (decrease) in other current liabilities	33,554	(197,466)
Increase in net defined benefit liabilities - non-current	<u>4,200</u>	<u>27,762</u>
Cash used in operations	(265,879)	(1,171,849)
Interest received	4,521	1,804
Dividends received	466,218	994,348
Interest paid	(28,876)	(13,124)
Income tax paid	<u>(8)</u>	<u>(3,499)</u>
Net cash generated from (used in) operating activities	<u>175,976</u>	<u>(192,320)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	(15,290)	-
Proceeds from the sale of financial assets at FVTOCI	-	33,539
Purchase of financial assets at FVTPL	(284,553)	(310,784)
Proceeds from the sale of financial assets at FVTPL	164,845	392,358
Refund of shares through capital reduction of financial assets at FVTPL	120,000	-
Acquisition of investments accounted for using equity method	(398,518)	-
Net cash inflow on disposal of subsidiaries	531,454	86,000
Proceeds from disposal of associates	-	535,987
Payments for property, plant and equipment	(126,154)	(205,872)

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED

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

	2023	2022
Increase in refundable deposits	\$ -	\$ (1,180)
Decrease in refundable deposits	58	57
Payments for intangible assets	(42,095)	(44,516)
Decrease (increase) in other financial assets	<u>45,453</u>	<u>(19,820)</u>
Net cash (used in) generated from investing activities	<u>(4,800)</u>	<u>465,769</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	200,000	1,000,000
Repayments of long-term borrowings	-	(430,000)
Proceeds from guarantee deposits received	2,579	-
Refund of guarantee deposits received	(14,619)	(11,071)
Repayment of the principal portion of lease liabilities	(5,169)	(4,408)
Cash dividends paid	(355,197)	(1,183,990)
Reduction in non-controlling interests	<u>-</u>	<u>(19,384)</u>
Net cash used in financing activities	<u>(172,406)</u>	<u>(648,853)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(541)</u>	<u>19,056</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,771)	(356,348)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>446,666</u>	<u>803,014</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 444,895</u>	<u>\$ 446,666</u>

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

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Occurrence of Revenue from Specific Customers

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

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

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

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2024

Notice to Readers

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

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

(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	%
Share of the other comprehensive income (loss) of associates accounted for using the equity method	\$ 17,355	-	\$ (22,533)	-
Items that may be reclassified subsequently to profit or loss (Notes 4 and 22):				
Exchange differences on translation of the financial statements of foreign operations	(30,016)	-	114,760	2
Share of other comprehensive (loss) income of associates accounted for using the equity method	<u>(2,420)</u>	<u>-</u>	<u>768</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>87,665</u>	<u>2</u>	<u>113,394</u>	<u>2</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (133,608)</u>	<u>(2)</u>	<u>\$ 783,851</u>	<u>12</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ (493,147)	(9)	\$ 215,899	3
Non-controlling interests	<u>271,874</u>	<u>5</u>	<u>454,558</u>	<u>7</u>
	<u>\$ (221,273)</u>	<u>(4)</u>	<u>\$ 670,457</u>	<u>10</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ (404,437)	(7)	\$ 325,524	5
Non-controlling interests	<u>270,829</u>	<u>5</u>	<u>458,327</u>	<u>7</u>
	<u>\$ (133,608)</u>	<u>(2)</u>	<u>\$ 783,851</u>	<u>12</u>
(LOSS) EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ (0.84)</u>		<u>\$ 0.37</u>	
Diluted	<u>\$ (0.84)</u>		<u>\$ 0.37</u>	

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

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

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

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

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

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

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

(Concluded)

SUNPLUS TECHNOLOGY CO. LTD
DEFICIT COMPENSATION STATEMENT
YEAR 2023

Unit: New Taiwan Dollar (NTD)

ITEMS	AMOUNT
Beginning retained earnings	417,810
The remeasurement amount of defined benefit plans recognized in retained earnings	5,809,084
Adjusted retained earnings	6,226,894
The net loss after tax for the year 2023	(493,146,536)
Reversal of special surplus reserve as required by law	56,523,418
This period's Deficit yet to be compensated	(430,396,224)
The end-of-period accumulated deficit	(430,396,224)

Chairman of the board:

Manager:

Accountant:

SUNPLUS TECHNOLOGY CO. LTD

List of newly appointed directors (including independent directors) and their representatives released from non-compete restrictions.

Director candidate	Serve concurrently in the company	Hold concurrent positions
Chou-Chye Huang Director	VENTUREPLUS GROUP INC.	Chairman
	VENTUREPLUS MAURITIUS INC.	Chairman
	VENTUREPLUS CAYMAN INC.	Chairman
	Shanghai Sunplus Technology	Chairman
	Sunplus Venture Capital (Stock) Company	Chairman
	Lingxu Investment Co., Ltd.	Chairman
	Weiyang Investment Co., Ltd.	Chairman
	Sunplus Management Consulting Co., Ltd.	Chairman
	GENERALPLUS INTERNATIONAL (SAMOA) INC.	Chairman
	Sunplus Innovation Technology	Chairman
	GENERALPLUS (MAURITIUS) INC.	Chairman
	Lingjia Technology (Shenzhen) Co., Ltd.	Chairman
	Sunplus mMedia Technology	Chairman and General Manager
	Sunplus Prof-tek Technology	Chairman
	Sunmedia Technology	Chairman
	Generalplus Technology	Chairman
	Sunplus Ehue Technology	Chairman
	Jumplux Technology	Chairman and General Manager
	AWARD GLORY LTD.	Chairman
	SUNNY FANCY LTD.	Chairman
	GLOBAL VIEW Co., Ltd.	Chairman
	iCatch Technology	Director
	GIANT ROCK INC.	Chairman
	Chongqing CQPlus1 Technology	Chairman
	WORLDPLUS HOLDINGS L.L.C	General Manager
	GlintMed Innovation Co., Ltd.	Chairman
	Worldplus Technology (Shen Zhen)Co.,Ltd.	Chairman
Shanghai Beyond Technology Co., Ltd.	Chairman	
Shanghai Joyhorn Technology Co., Ltd.	Chairman	
WiSilicon Innovation Co.	Director	

Director candidate	Serve concurrently in the company	Hold concurrent positions
Wen-Hsiung Jan Director (TAIWAN LAF' E CO., LTD Representative)	iCatch Technology	Director
	ABILITY ENTERPRISE CO., LTD	Director
	BIOSTAR MICROTECH INTERNATIONAL CORP.	Independent Director
	Advanced Echem Materials Company Limited	Chairman
	NIEN HSING TEXTILE CO., LTD.	Independent Director
	OLEADER TECHNOLOGY CO., LTD.	Director
	Xinying Materials Trading (Guangzhou) Co., Ltd.	Director
	Yanwen Asset Management Consulting (Ltd.)	Director
	Champion Microelectronic Corp.	Independent Director
	Hiyes International Co., Ltd	Director
	ECS ELITEGROUP Co., Ltd	Independent Director
	SweeGen Biotech Corporation	Director
GLOBAL VIEW Co., Ltd. Director	Radiant Innovation Inc.	Director
	British Cayman Islands GLOBAL VIEW CO.,LTD	Chairman
	NVTEK ELECTRONIC CO., LTD	Director
Chih-Chieh Tsai Director	GLOBAL VIEW Co., Ltd.	Director and President
	Jie Deng Co., Ltd.	Chairman
	Oneness Green Technology Co.,Ltd.	Chairman
	Silergy Corp.	Independent Director
	Success Prime Corp.	Independent Director
	Nishoku Technology Inc.	Independent Director
	Taifu International Network CO., Ltd.	Supervisor
Ze-Ren Huang Independent Director	GenMont Biotech Incorporation	Independent Director 、 Audit Committee Member 、 Compensation Committee Member
	SUN FON CONSTRUCTION CO., LTD.	Independent Director 、 Audit Committee Member 、 Compensation Committee Member
	Playsee Inc.	Director
Rui-Qi Chen Independent Director	iCATCH INC.	Independent Director
	Huachuang Financial Consultants (Ltd.) Company	Chairman
Shu-Jun Huang Independent Director	CHOICE DELIGHTS INCORPORATED	Chairman
	Sensortek Technology Ltd.	Independent Director
	Qisda Technology Ltd.	Independent Director
	Zero One Tech.	Independent Director
	Auras Technology Co., Ltd.	Director

Articles of Incorporation of Sunplus Technology Co., Ltd.

Chapter 1 General

Article 1: The company is organized in accordance with the provisions of the Company Act and named Sunplus Technology Co., Ltd.

Article 2: The company's business is as follows:

1. The design, manufacture, testing and sales of various integrated circuits.
2. Design, manufacture, testing and sales of various integrated circuit modules.
3. Research, development and sales of various application software.
4. Research, development and sales of various intellectual property assets.
5. Various integrated circuit trading and agency services.
6. CC01080 Electronic Components Manufacturing.
7. I501010 Product Design.
8. F401010 International Trade.
9. I301010 Information Software Services.
10. I301020 Information Processing Services.

Article 3: The company establishes its head office in the Science Park of Hsinchu Science Park. If necessary, it may obtain a branch office at home and abroad after being approved by the board of directors and approved by the competent authority.

Article 4: The announcement method of the company shall be handled in accordance with Article 28 of the company act.

Chapter 2 Shares

Article 5: The company's capital is rated at NT\$120 million and divided into up to 120 million (including 80,000,000 shares warrants, special shares with warrants or corporate bonds with warrants The use of stock options), NT\$ per share, points issued. When the shares of the company are purchased by the company in accordance with the law, the authorized board of directors shall be authorized by law.

Article 5-1: Delete.

Article 5-2: When Taiwan's Central Depository and Clearing Corporation Limited requests the merger of large-value denomination securities, the company shall cooperate with the request.

Article 6: The shares of the company shall be signed or sealed by the directors representing the Company and issued by a visa issued by a certified agency. The company may not be required to print the shares according to the provisions of Article 162 bis of the company act, but it is necessary to contact the centralized securities company.

Article 7: The Company's stock handling operations shall be handled in accordance with the guidelines for the handling of the company's stocks in the publicly issued stock companies. When the relevant laws and regulations are changed, they shall be executed at any time in accordance with the law after the change.

Article 8: Delete.

Article 9: Delete.

Article 10: Delete.

Article 11: Within 60 days prior to the regular shareholders' meeting, within 30 days prior to the temporary meeting of shareholders, or within five days prior to the company's decision to distribute dividends and bonuses or other benefits, the transfer of shares shall be stopped.

Chapter 3 Shareholders' Meeting

Article 12: There are two types of regular meetings and temporary meetings of shareholders' meetings. The regular meetings are held once a year. They are convened by the board of directors within six months after the end of each fiscal year, and temporary meetings are convened according to law when necessary. The conduct of the shareholders' meeting shall be handled in accordance with the Rules of Procedure of the Shareholders' Meeting of the Company.

The convening of the general meeting shall be notified to all shareholders 30 days before the regular meeting and 15 days before the temporary meeting.

When the shareholders' meeting of the company is held, it may be held by video conference or other methods announced by the Ministry of Economic Affairs.

Article 13: When shareholders are unable to attend the shareholders meeting for any reason.

They shall draw up a power of attorney issued by the company, and entrust the agency according to Article 177 of the Corporations Act and the "Regulations on the Power of Attrition of the Public Issuance Companies to Attend Shareholders Meeting" promulgated by the competent authority. People attend.

Article 14: When the shareholders' meeting is held, the chairman of the board of directors shall be the chairperson. When the chairman of the board of directors is absent, the chairman of the board of directors shall appoint one person to act as the agent.

Article 15: The shareholders of the company shall have one voting right for each share held except for the case in which the shares as prescribed in Article 179 of the Company Act have no voting rights.

Article 16: Resolutions of the shareholders' meeting shall, except as otherwise provided by the company act. Be attended by shareholders representing more than half of the total number of shares outstanding, and shall be agreed upon by a majority of the voting rights of shareholders present. When the company convenes a shareholder meeting, Shareholders who elect to exercise their voting rights electronically and exercise voting rights electronically shall be deemed to be present in person, and relevant matters shall be handled in accordance with the provisions of the law.

Article 17: The resolutions of the shareholders' meeting shall be made into minutes, signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The distribution of the above-mentioned minutes shall be handled in accordance with the provisions of the Company Act. The record of the minutes of the minutes of the proceedings, the minutes of the minutes, the attendance book of the attending shareholders, and the power of attorney to attend shall be processed in accordance with Article 183 of the Company Act.

Chapter 4 Directors

Article 18: The company has 6 to 9 directors, and the election of the directors shall be based on the provisions of Article 192 of the Company Act to adopt the nomination system for candidates. The implementation of related matters is subject to the Company Act and the Securities Exchange Act. The statutory regulations apply. The number of members shall be determined by the board of directors and the shareholder's meeting shall select the names of the candidates for directorship of the company for a term of three years. They shall be eligible for re-election. If a representative of a legal person's shareholder is elected as a director, the legal person may relocate it at any time, but it shall be limited to making up for the original term of office.

The company may, if permitted by relevant laws and regulations, insure liability insurance for the liability for compensation in accordance with the law for the scope of the business performed by the directors during the term of office. After the company has insured or renewed the liability insurance for the directors, the amount and underwriting of the liability insurance Important contents such as scope and insurance rate, etc., submitted to the latest report of the board of directors.

In the aforementioned number of directors, there are three to five independent directors, and the nomination system for independent directors is adopted. The shareholders' committee selects candidates from the list of independent director candidates. The professional qualifications of the independent directors, shareholding, part-time restrictions, nomination and selection methods, and other matters that should be followed, in accordance with the relevant regulations of the securities regulatory authority

The company sets up an audit committee in accordance with the provisions of Article 14-4 of the Securities Exchange Act. It is composed of all independent directors. The exercise of its powers and related matters is handled in accordance with relevant laws and regulations, and is set by the board of directors.

Article 18-1: When the directors of the company perform the duties of the company, regardless of the company's operating profit or loss, the company may be remunerated, and its remuneration is authorized by the board of directors to negotiate with the normal level of the industry. If the company has a surplus, it shall distribute the remuneration according to Article 29 of the Articles of Association.

Article 19: When the director's shortfall is up to one-third, the board of directors shall convene the shareholders' meeting for a by-election within 60 days to cover the original term of office.

Article 20: When the term of office of a director expires but does not result in a re-election, except as otherwise provided in the Company Act, he/she shall extend his/her duties until the re-election of the directors to take office.

Article 21: Board of Directors The Board of Directors shall have more than two-thirds of the directors present and the consent of more than half of the directors present, elect one chairman of the board of directors and perform all matters relating to the company in accordance with resolutions, articles of association, resolutions of shareholders and the board of directors.

Article 22: The company's operating principles and other important matters are decided by the board of directors. In addition to the first meeting of the board of directors in accordance with the provisions of Article 203 of the Company Act, the board of directors is called by the chairman of the board of directors. When the director is unable to perform his duties, he is appointed by the chairman of the board of directors. If no director is designated, one of the directors will push one person to act on his behalf. In addition, the directors may authorize other directors to represent the board in writing and may exercise their voting rights on all matters raised at the meeting. However, the agent is authorized by one person.

Article 22-1: The convening of the board of directors shall state the cause and inform the directors of the meeting 7 days before the meeting. However, when there is an emergency, it must be called at any time.

Board of Directors' convening notices can be written, e-mailed or faxed.

Article 23: The proceedings of the board of directors shall be made into minutes, signed or sealed by the chairman, and distributed to all directors within 20 days after the meeting. The distribution of the above-mentioned minutes shall be handled in accordance with the provisions of the Company Act. The method of record of the board of directors, the minutes of proceedings, the attendance book of the directors, and the power of attorney's attendance shall be kept for the period of time according to Article 207 of the Company Act.

Article 24: This section is deleted

Chapter 5 Managers and Staff

Article 25: The company has a number of managers, the appointment or dismissal by the board of directors with more than half of the attendance and the majority of the directors agreed to the resolution. Its remuneration is handled in accordance with

the provisions of Article 29 of the Company Act.

Article 25-1: The company may, subject to relevant laws and regulations, obtain resolutions from the board of directors and purchase liability insurance for managers, so as to reduce the risk of managers being accused by shareholders or other related parties in performing their duties according to law.

Article 26: The company may be appointed by the board of directors in accordance with the provisions of Article 25 of the constitution to hire important staff.

Article 27: Delete.

Chapter 6 Final accounts

Article 28: At the end of the fiscal year, the company shall compile the following lists and submit it to the regular shareholders for approval: 1. Business report. 2. The financial statements. 3. The distribution of surplus or loss provision. 4. Other legal orders should be made of the list.

The former statement of accounts is legally announced.

Article 28-1: If the company is profitable for the year, it shall pay no less than 1 percent for the employee's compensation and no more than 1.5 percent for the director's compensation. However, when the company still has accumulated losses (including the adjustment of undistributed earnings), it should reserve the amount of compensation in advance.

The employee compensation in the preceding paragraph can be obtained from stocks or cash, and the object of the employee's payment can include the employees of the subordinate company that meet the conditions set by the board of directors. The preceding directors' remuneration can only be paid in cash. The first two items should be decided by the board of directors and report to the shareholders meeting.

Article 29: If the company has a surplus after the final accounting, it shall first allocate 10% of the statutory surplus reserve in addition to the legal income from the profit-making business and the loss in previous years, but the statutory surplus reserve has reached the total amount of capital. This is not the limit. In accordance with the law or the competent authority to provide or revoke special surplus reserves, the remaining surplus, together with the accumulated undistributed surplus in the previous period, is the dividend of the shareholders. The board of directors shall allocate a resolution to the shareholders' meeting for resolution after distribution. The ratio of the surplus provided by the Surplus to the cash dividends of the shareholders may be adjusted according to the resolutions of the shareholders meeting, depending on the actual profit and funding conditions of the year. The total shareholder dividends for the annual surplus distribution shall not be less than 10% of the newly added distributable surplus for the year, but may not be distributed if it is less than 1% of the paid-in capital. The aforementioned cash dividends shall not be less than 10% of the total dividends payable to shareholders.

Article 30: The organization procedures and business chapters of the company shall be determined by the board of directors.

Article 31: The company may endorse the external endorsement and may lend funds to others for the needs of the business. Its operating methods are determined by the board of directors according to law.

Article 31-1: When the Company is a limited liability shareholder of its company, its total investment may not be restricted by Article XIII of the Company Act, which is that the total investment may not exceed 40 percent of the paid-in capital.

Article 32: The matters not determined in the Articles of Association shall be handled in accordance with the provisions of the Company Act and other laws and regulations.

Article 33: This Charter was established on July 30, 1990.

The first revision was made on August 7, 1990.

The second revision was made on February 7, 1992.

The third amendment was made on June 12, 1993.
The fourth revision was made on July 30, 1994.
The fifth amendment was made on September 28, 1994.
The sixth amendment was made on June 14, 1995.
The seventh revision was made on May 25, 1996.
The eighth amendment was made on May 31, 1997.
The ninth revision was made on November 20, 1997.
The tenth revision was made on April 30, 1998.
The eleventh revision was made on June 7, 1999.
The twelfth revision was made on July 28, 1999.
The thirteenth revision was made on May 19, 2000.
The 14th revision was made on June 12, 2001.
The fifteenth revision was made on May 17, 2002.
The 16th revision was made on May 6, 2003.
The seventeenth revision was made on June 1, 2004.
The 18th revision was made on June 13, 2005.
The nineteenth revision was made on June 9, 2006.
The 20th revision was made on June 15, 2007.
The twenty-first revision was made on June 13, 2008.
The twenty-second revision was made on June 10, 2011.
The 23rd revision was made on June 18, 2012.
The 24th revision was made on June 11, 2014.
The 25th revision was made on June 12, 2015.
The 26th revision was made on June 13, 2016.
The 27th revision was made on June 12, 2020.
The 28th revision was made on June 8, 2022.

SUNPLUS TECHNOLOGY RULES OF SHAREHOLDERS' MEETING

Article 1 Shareholders' Meeting of the Company, except as otherwise provided in the Act, according to the rules of the line.

Article 2 The shareholders referred to in these Rules refer to the proxies held by the shareholders themselves and the shareholders entrusted to attend. Shareholders are entrusted to attend the agent as a legal person, the legal person may only appoint one person to attend the shareholders' meeting.

Article 3 Attending shareholders should bring their attendance cards and hand in their attendance cards to sign in. If the sign-in card is handed over to the Company, it is deemed that the shareholders or proxies listed in the sign-in card have attended in person, and the Company is not responsible for identifying it; the video conference of the shareholders' meeting shall be held on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting. The shareholder who accepts the registration and completes the registration shall be deemed to have attended the shareholders' meeting in person.

Article 4 Attendance and voting of the shareholders' meeting, should be based on the calculation of shares. When a legal person is entrusted to attend the shareholders' meeting, the legal person has to appoint only one representative to attend.

Where a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one person can speak on the proposal. The exercise of its voting rights, is still calculated by its holdings of shares.

When the shareholders meeting is convened by videoconference, shareholders who wish to attend by videoconference shall register with the company two days before the shareholders meeting.

Article 5 The place where the shareholders' meeting of the Company will be held, at the place where the Company or the factory location or the Convenience Share is present and suitable for the convening of the Shareholders' Meeting, the meeting should not start before 9 am or later than 3 pm.

When the company holds a video-conference shareholders meeting, it is not subject to the restriction on the venue of the preceding paragraph.

Article 6 The shareholders will be convened by the board of directors, its president by the chairman of the board, when chairman on leave or for any reason unable to exercise the powers, by the chairman of the designated director of a proxy, the chairman of the board does not appoint an agent, by the directors assigned to each other a proxy.

The shareholders will be convened by the convenor of the convenor other than the board of directors, the chairman shall be held by the convenor. When the convenor has more than two people, should be designated one by one for each other.

Article 7 Has a meeting time, the Chairman shall declare a meeting, but no shareholders who represent more than half of the total number of issued shares are present, the chairman may announce a postponement of the meeting, the number of delays is limited to two times, the delay time shall not exceed one hour. Delayed two times still insufficient, the chairman must announce to cancel the meeting, and the Company shall also announce the cancellation of the shareholders meeting on the video conferencing platform.

But if more than one third of the total number of issued shares is present at the meeting, it shall also be a fake resolution in accordance with Paragraph 1 of Article 175 of the Company Act, but for the special provisions of the provisions of the Company Act, its resolution made, should be in accordance with the provisions of the Company Act. If the general meeting of shareholders is convened by video conference,

shareholders who wish to attend via video conference shall re-register with the company in accordance with Article 4.

Before the meeting was over, if the number of shares represented by the shareholders is more than half of the total number of issued shares, the chairman will be made a tentative resolution, in accordance with the provisions of Article 174 of the Company Act, and resubmit to the General Assembly for a vote.

Article 8 The shareholders will be convened by the board of directors, the agenda is set by the Board of Directors, the meeting should be based on the scheduled agenda, without the resolution of the shareholders may not be changed.

If the shareholders meeting is convened by a person other than the board of directors who has the right to convene, apply the provisions of the preceding paragraph.

The first two items are scheduled for the agenda (with temporary motion) before the end, not by resolution, the President shall not adjourn the meeting, but if the order is chaotic, or something else, it is difficult for the meeting to proceed normally, the President may adjourn the meeting by resolution.

After the meeting, the shareholders shall not elect the chairman to continue the meeting at the original site or another place. But the chairman violates the rules of procedure, announced the dissolution of the meeting, to vote for more than half of the shareholders to vote for the election of one person as chairman, continue to meet.

Article 9 If any shareholder proposes to count the number of people, the chairman may not accept it. When voting on a proposal, if the required number has been reached, the proposal will still be passed.

Article 10 When attending shareholders are speaking, they must first fill in the gist of the speech, attendance card number and name on the speech slip at the beginning, and the chairman will determine the order of their speeches. The attendees who only made speech slip and did not speak are considered as no speech, and the content of the statement is inconsistent with the speech slip, which is subject to the content of the statement. Shareholders who restrict their authority in the power of attorney or other methods, regardless of whether the company is aware of it or not, shall take the speeches or votes made by the proxy as the standard.

Article 11 Shareholders' inquiries on the matters reported on the Agenda, shall be read or reported by the Chairman or its designated person after all the report has been completed, have to speak. Each person can't speak more than twice, not more than five minutes each time, but by the chairman of the permit, be able to extended for five more minutes, and shall be limited for one extension.

Shareholders' recognition of the agenda, to discuss each of the matters, and the provisional motion, the time and number of statements should be stated in the preceding paragraph.

The shareholders of the provisional agenda for the motion of the non-motion of the consultation to speak, the time and the number of the use of the provisions of the first paragraph.

Shareholders speak in violation of the preceding paragraph or beyond the scope of the subject, the president may stop his statement. When one of the attending shareholders is delivering a speech, the other shareholders are subject to the consent of the president and the shareholders who speak and do not speak to interfere, otherwise the president shall stop the violator.

If the shareholders meeting is convened by video conference, shareholders who participate in the video conference may ask questions in text on the shareholders meeting video conference platform after the chairman announces the meeting and before the meeting is closed. The number of questions for each proposal shall not exceed two times. Limited to 200 characters, the provisions of Article 10 and Items 1 to 5 of this Article are not applicable

Article 12 After the attending shareholders made a speech, the Chairman has to answer in person or appoint the relevant person to reply.

Article 13 For which is not categorized to motions, will not discuss or vote. When discussing the motion, the president has to suspend the discussion, If the chairman announces to vote on a proposal that has been declared to be closed, several proposals may be voted on at the same time, but they shall be voted on

separately.

Article 14 When the motion is voted on, if there is no objection by the president, considered as passed, its effectiveness is the same as the power of voting. When there is an amendment or an alternative to the same motion, by the president and in the same order as the original order, if the case has been passed, other motions are deemed to be rejected, do not have to vote again.

Article 15 Unless otherwise stipulated in the Company Act and the company's articles of incorporation, the voting on the proposal shall be passed with the consent of more than half of the voting rights of the shareholders present.

Article 16 The scrutiny and counting personnel for voting on proposals shall be designated by the chairman, but the scrutiny personnel shall have the identity of shareholders. The voting results shall be reported and recorded.

If the shareholders' meeting is held by video conference, the Company shall immediately disclose the voting results of various proposals and election results on the shareholders' meeting video conference platform in accordance with regulations after the voting ends, and shall continue to disclose at least 15 minutes after the chairman announces the adjournment of the meeting.

Article 17 The Company may appoint a lawyer, accountants or related personnel to attend the shareholders' meeting. The management staff of the shareholders' meeting shall wear a recognition certificate or armband.

Article 18 The company shall make audio or video recordings of the entire process of the shareholders' meeting and keep them for at least one year.

If the shareholders' meeting is held by video conference, the company shall keep records of shareholders' registration, sign-in, check-in, questioning, voting, and company vote counting results, etc., and record and video the entire process of the video conference continuously.

The company shall properly keep the materials and audio and video recordings in the preceding paragraph during the period of existence, and provide the audio and video recordings to the person entrusted to handle the video conferencing affairs for storage.

Article 19 The president has commanded the picketers or security officer to assist in maintaining the order of the venue. When the picketers or security officer is present to assist in maintaining order, should wear "pickets" word armbands or identification cards.

Shareholders should obey the president, the picketers, and the security officer. The chairman, picketer or security personnel may exclude those who obstruct the progress of the shareholders' meeting and refuse to comply after being stopped.

Article 20 While the meeting is in progress, the chairman may announce a break at his discretion.

Article 21 Before the chairman announces the adjournment of the meeting convened by video, due to natural disasters, accidents or other force majeure, the video conference platform or participation in the video conference is blocked for more than 30 minutes, the meeting shall be postponed or continue within five days, which does not apply to Article 182 of the Company Act.

Article 22 Matters not stipulated in these rules shall be handled in accordance with the provisions of the Company Act and other relevant laws and regulations.

Article 23 These rules will come into force after being passed by the shareholders' meeting, so do amendments.

**“ELECTION PROCEDURES FOR BOARD OF DIRECTORS” OF
SUNPLUS TECHNOLOGY COMPANY LIMITED (THE "COMPANY")**

(Amended by Shareholders’ Meeting on June 12, 2015)

Article1

The Election of Board of Directors of Sunplus Technology Company Limited (the “Company”), shall be proceeded with in accordance with this “Election Procedures for Board of Directors” (the “Procedures”), unless the Company Act and Article of Incorporation of the Company provides otherwise.

Article2

The Company shall adopt the candidate nomination system for election of the directors in accordance with Article 192-1 of the Company Act.

Article3

The open-ballot, cumulative voting method will be used for election of the director at this Corporation. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Independent and non-independent directors shall be elected at the same time but on separate ballots.

When the Company holds a shareholders meeting, as provided by the Competent Authority of Securities and Exchange, adopt the electronic transmission as one of the methods for exercising the voting power. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice.

Article4

The ballot boxes for the election of board of directors shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commence.

Article5

In the election of board of directors, the candidates receiving ballots representing the highest numbers of voting rights will be elected sequentially to be independent director, nonindependent director according to their respective numbers of votes. When two or more persons receive the same numbers of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article6

Before the election begins, the chair shall appoint a number of persons to be vote monitoring and counting personnel.

Article7

The ballot shall be prepared by the board of directors. The Attendance card number and the number of voting rights shall be printed on such ballot.

Article8

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be

entered.

Article9

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared in accordance with these Procedures.
2. The ballot is blank or the writing is unclear and indecipherable.
3. The numbers of candidate entered in the ballot are more than the numbers to be elected.
4. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number).
5. Either the candidate is a shareholder but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate is a non-shareholder but a cross-check shows that the candidate's name and identity card number do not match.
6. The name of the candidate entered in the ballot is identical to that of another candidate, but no shareholder account number (or identity card number) is provided in the ballot to identify such individual.

Article10

The voting rights shall be calculated on site immediately after the end of the poll, and the chairman shall announce the results of the poll.

Article11

The board of directors of the Company shall issue notifications to the person elected to be director individually.

Article12

In regard to all matters not provided in these Procedures, the "Company Act" of the Republic of China or other related regulations shall govern.

Article13

These Procedures and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article14

These Procedures were approved and enacted on June 25th, 1994 by shareholders' meeting.

The 1st Amendment was on May 17th, 2002.

The 2nd Amendment was on June 13th, 2008.

The 3rd Amendment was on June 11th, 2014.

The 4th Amendment was on June 12th, 2015.

SHAREHOLDING OF DIRECTORS AND SUPERVISORS

1. Sunplus' paid-in capital is NT\$5,919,949,190; total issued shares are 591,994,919 shares.
2. According to Article 26 of "Securities and Exchange Act", the amount of shares held by all board directors may not be less than 18,943,837 shares, the company sets up the Audit Committee, so there is no supervisor of the law should be held by the number of shares applicable.
3. As at the closing date of this shareholders' meeting, the number of shares held by individual and all directors is listed in the table below. Has been in line with the provisions of Article 26 of the Securities and Exchange Act.

Title	Name	Shareholding
Director	Chou-Chye Huang	92,737,817
Director	Wen-Hsiung Jan	0
Director	Global View Co., Ltd.	10,038,049
Independent Director	Che-Ho Wei	0
Independent Director	Ze-Ren Huang	0
Independent Director	Cong-Ling Guo	0
Independent Director	Rui-Qi Chen	0
Total ^(note1)		102,775,866

Note: Shares held by the independent directors are not counted in the above calculations.