

Sitronix Technology Corporation
2021 Annual Shareholders' Meeting Minutes
(Translation)

Time: 9:00 a.m., July 27, 2021 (Tuesday)

Place: 2F., No. 3, Taiyuan 1st Street, Jhubei City, Hsinchu County (Multi-functional Conference Room, Tai Yuen Hi-Tech Industrial Park Phase III)

Attendants : All shareholders and their proxy holders ,representing 93,519,070 shares (Including 79,566,729 shares voted via electronic),or 77.84% of the total 120,136,876 outstanding shares.

Others Present : Cheng Chih Lin ,CPA of Deloitte & Touche

Director Present : Vincent Mao , I-His Cheng , Sheng-Su Lee , Silicon Power Computer & Communications Inc.(Representative: Hui-Min Chen) ,Cheng-Chieh Dai (Independent Director & Chairman of the Audit Committee), Yu-Nu Lin (Independent Director& Audit Committee)

Chairman : Mr.Vincent Mao, the chairman of the Board of Directors

Minute Recorder : Xu-Fang Hsu

I. Chairman announced commencement. (The aggregate shareholding of the shareholders present in person or by proxy constitutes a quorum. The Chairman called the meeting to order.)

II. Chairman's Address (omitted)

III. Report Items

1. 2020 Business Report (see Attachment I).
2. 2020 Audit Committee's Review Report (see Attachment II).
3. Report on the distribution of remuneration for employees and directors for 2020.

Explanation: In accordance with the provisions of the Company's Articles of Incorporation, the remuneration of NT\$37,311,588 and NT\$124,371,960 have been distributed to directors and employees in cash, respectively.

4. Report on cash dividends of earnings distribution for 2020.

Explanation :(1) According the Article of Incorporation, the Board of Directors was authorized to resolve specifically to distribute all or part of the dividends payable and bonus in cash, which was reported at the shareholders' meeting.

(2) Allocate the shareholders dividends of NT\$901,026,570 for the distribution in cash at NT\$7.5 per share. The calculation method of "unconditional leaving out the number less than NT\$1" was adopted for the distribution of cash dividends, and the total number of decimal fraction less than NT\$1 shall be adjusted on the decimal number from big to small and the account number from front to back to accord with the total cash dividend distribution.

IV. Election Matters

Explanation:

To elect the 10th Board of Directors of the Company. **(Proposed by the Board of Directors)**

(I) The term of the 9th Board of Directors of the Company expires on June 26, 2021. It is proposed to hold the election for the Board of Directors in this annual shareholders' meeting.

(II) In accordance with Article 13 of the Article of Incorporation, a total of nine directors shall be elected (including four independent directors), and a candidate nomination system shall be adopted. The shareholders shall select the directors (including independent directors) from among the nominees listed in the Roster of Director Candidates for the term of office from June 23, 2021 to June 22, 2024. The term of office of the former directors shall expire upon the completion of this annual shareholders' meeting.

(III) The Roster of Director Candidates was approved by the resolution of the Board of Directors on March 18, 2021. The Roster of Director Candidates (see Attachment III).

(IV) Mr.Cheng-Chieh Dai, the independent director, has served as an independent director of the Company for three consecutive terms. In view of his expertise in business management and experience in corporate governance, which will be of significant benefit to the Company, he was nominated as one of the independent director candidates.

(V) The re-election shall be conducted in accordance with the Company's Procedures for the Election of Directors.

(VI) Call for election.

Supplementary explanation : Pursuant to “The Related Postponement Measures of the Listing Company’s Annual Shareholder’s Meeting during the Pandemic” announced by Financial Supervisory Commission, the Annual Shareholders’ Meeting is postponed to July 27, 2021. Accordingly, the term of each 10th-term director will be amended from July 27 , 2021 to July 26, 2024.

Election Results:

Title	Account (Number)	Acconut (Name)	Elected Votes
Director	11	Vincent Mao	73,172,528
Director	26	Wen-Bin Lin	67,543,037
Director	24	I-Hsi Cheng	65,740,974
Director	61339	Silicon Power Computer&Communi cations Inc.	39,487,431
Director	44	Sheng-Su Lee	65,681,236
Independent Director	42917	Cheng-Chieh Dai	47,243,025
Independent Director	Q22211****	Yu-Nu Lin	66,272,468
Independent Director	A10265****	Ching-Jung Hu	72,342,309
Independent Director	J10117****	Jui-Hsiang Lo	72,258,343

V. Matters for Ratification and Proposed Resolutions

Pursuant to “The Related Postponement Q&As of the Listing Company’s Annual Shareholder’s Meeting during the Pandemic” announced by TDCC, the Annual Shareholders’ Meeting is postponed to July 27, 2021. Accordingly, the date of amending "Procedures for Making Outward Loans to Others" and "Operational Procedures for Trading Derivatives "shall be the actual date of the Shareholder’s Meeting.

1. 2020 Financial Statements and Business Report is submitted for approval.

(Proposed by the Board of Directors)

Explanation:

- (1) The Board of Directors has delivered the Company's 2020 Parent Company Only Financial Statements and Consolidated Financial Statements, which have been audited and completed by CPA Cheng-Chih Lin and Yu-Feng Huang of the Deloitte & Touche Taipei, Taiwan Republic of China, together with the business report, to the Audit Committee for verification, and the audit report has been issued.
- (2) 2020 Business Report please refer to Attachment I , Independent Auditors' Report and the aforementioned financial statements, please refer to Attachment IV and V.
- (3) Please approve.

Resolved, that the above proposal be and hereby was approved as proposed.

Voting Results:

Shares represented at the time of voting : 93,519,070 (79,566,729)*

Voting Results*		% of the total represented share present
Votes in favor:	80,129,227 votes (66,176,886 votes)	85.68%
Votes against:	794 votes (794 votes)	0.00%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	13,389,049 votes (13,389,049 votes)	14.31%

* Including votes casted electronically (numbers in brackets)

2. 2020 Profit Distribution Proposal is submitted for approval.

(Proposed by the Board of Directors)

Explanation:

- (1) The 2020 Profit Distribution Proposal of the Company has been approved by the Board of Directors on March 18, 2021.
- (2) For the 2020 Profit Distribution Proposal ,Please refer to Attachment VI.
- (3) Please approve.

Resolved, that the above proposal be and hereby was approved as proposed.

Voting Results:

Shares represented at the time of voting : 93,519,070 (79,566,729)*

Voting Results*		% of the total represented share present
Votes in favor:	80,859,227 votes (66,906,886 votes)	86.46%
Votes against:	4,793 votes (4,793 votes)	0.00%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	12,655,050 votes (12,655,050 votes)	13.53%

* Including votes casted electronically (numbers in brackets)

3. The amendments to "Procedures for Making Outward Loans to Others" is submitted for discussion.

(Proposed by the Board of Directors)

Explanation:

- (1) To meet the requirements of the law and the actual operating needs of the Company, it is proposed to amend part of the provisions of the Company's Procedures for Making Outward Loans to Others.
- (2) For the Comparison Table for the Procedures for Making Outward Loans to Others Before and After Amendment, Please refer to Attachment VII.
- (3) Please discuss.

Resolved, that the above proposal be and hereby was approved as proposed.

Voting Results:

Shares represented at the time of voting : 93,519,070 (79,566,729)*

Voting Results*			% of the total represented share present
Votes in favor:	80,855,061 votes	(66,902,720 votes)	86.45%
Votes against:	4,810 votes	(4,810 votes)	0.00%
Votes invalid:	0 votes	(0 votes)	0.00%
Votes abstained:	12,659,199 votes	(12,659,199 votes)	13.53%

* Including votes casted electronically (numbers in brackets)

4. The amendments to "Operational Procedures for Trading Derivatives" is submitted for discussion.

(Proposed by the Board of Directors)

Explanation:

- (1) In order to meet the actual operating needs of the Company, it is proposed to amend part of the provisions of the Company's "Operational Procedures for Trading Derivatives".
- (2) For the Comparison Table before and after the Amendment to the "Operational Procedures for Trading Derivatives" ,Please refer to Attachment VIII.
- (3) Please discuss.

Resolved, that the above proposal be and hereby was approved as proposed.

Voting Results:

Shares represented at the time of voting : 93,519,070 (79,566,729)*

Voting Results*		% of the total represented share present
Votes in favor:	80,824,060 votes (66,871,719 votes)	86.42%
Votes against:	4,808 votes (4,808 votes)	0.00%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	12,690,202 votes (12,690,202 votes)	13.56%

* Including votes casted electronically (numbers in brackets)

**5. Removal of competition restrictions for new directors and their representatives.
(Proposed by the Board of Directors)**

Explanation:

- (1) In accordance with Article 209 of the Company Act: A director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) Without prejudice to the interests of the Company, if the newly elected directors and their representatives invest in other companies with the same or similar business scope as the Company, the Company proposed to apply to the shareholders' meeting to lift the competition restrictions on such directors and their representatives.
- (3) The new directors are concurrently holding positions in other companies as follows:

Title	Name	Concurrent position currently
Director	Vincent Mao	Chairman, Sitronix Holding International Limited. Director, mCore Technology Corp. Director, Sensortek Technology Corp. Chairman & CEO, Forcelead Technology Corp. Director, Infinno Technology Corp. Chairman, Sitronix Investment Corp. Director, Sync-Tech System Corp. Director, Silicon Power Computer & Communications Inc. Independent Director, Compal Broadband Networks Inc. Director, Ezglobal Network Service Inc.
Director	I-Hsi Cheng	Chairman, mCore Technology Corp.
Director	Sheng-Su Lee	Deputy Chairman & CEO, Silicon Power Computer & Communications Inc. Chairman & CEO, Sensortek Technology Corp. Director, Silicon Power Investment CO., LTD
Independent Director	Cheng-Chieh Dai	General Manager, Accuvision Technology Inc. Director, Accuvision Technology Inc. Independent Director, NEXCOM International Co., Ltd. Director, STL Technology Ltd. Director, Cheng Yu Investment Co., Ltd.
Independent Director	Yu-Nu Lin	Financial Assistant General Manager, Chin-Poon Industrial Co., Ltd.
Independent Director	Jui-Hsiang Lo	Chairman, IC PLUS Corp. Director, Dadi Kid Education Co., Ltd. Independent Director & remuneration committee member, Silicon Integrated Systems Director, Cloudberry Consultant Corp.
Independent Director	Ching-Jung Hsu	General Manager, Shin Hwa Clock Industry Co., Ltd.

(4) Please discuss.

Resolved, that the above proposal be and hereby was approved as proposed.

Voting Results:

Shares represented at the time of voting : 93,519,070 (79,566,729)*

Voting Results*		% of the total represented share present
Votes in favor:	71,432,771 votes (57,480,430 votes)	76.38%
Votes against:	7,120 votes (7,120 votes)	0.00%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	22,079,179 votes (22,079,179 votes)	23.60%

* Including votes casted electronically (numbers in brackets)

VI. Extemporary Motions : None.

VII. Adjournment : 9:18 a.m.

Sitronix Technology Corp.

Business Report

I. 2020 Business Report

(I) Business Plan Implementation Results

The consolidated net revenue in 2020 was approximately NT\$13.8 billion, up from 2019. The operating net profit was NT\$2.383 billion, the net profit after tax was NT\$2.164 billion, and the earnings per share after tax was NT\$11.53. Despite the impact of the epidemic on the consumer market in 2020, the Company's revenue has regained momentum since the second half of the year, and Sitronix will continue to strive to achieve peak performance in the future.

In the relatively stable feature phone market, Sitronix continues to successfully consolidate the leadership position of feature phones and display driver chips (DDI) of wearable devices with zero capacitance differentiation strategy. In the smart phone field, despite the impact of the epidemic in the first half of the year, the sales volume began to grow smoothly again in the second half. Sitronix will continue to launch zero-capacitance versions with different resolutions to successfully achieve the benefits of product differentiation. Under the continuous strategic promotion of the Company, the specifications and performance of the products have been highly recognized by customers.

Besides the mobile phones, Sitronix has also continued to successfully develop various products such as in-vehicle DDI, industrial DDI, power management control chips, ambient light sensing chip, distance sensing chip, MEMS sensing chip, etc. The product introduction of the big brand factory shows that the products developed by the Company are highly competitive and have high growth potential in the future. The above product lines have been robust in many niche applications and continue to optimize the Company's product portfolio, creating a significant contribution to the Company's stable gross margin.

(II) The Company's 2020 and 2019 Profitability Analysis

Items		Year	
		2020 (Note 2)	2019 (Note 2)
Return on Total Assets (%)		17.65%	20.35%
Return on Equity (%)		27.24%	32.81%
Ratio in paid-in capital (%)	Operating Income	198.36%	173.67%
	Pre-tax Income	210.06%	183.40%
Net Margin (%)		15.67%	14.04%
Basic Earnings Per Share (NT\$) (Not		11.53	10.27

Note 1: This is calculated based on the number of weighted average shares issued in the current year.

Note 2: The period when the International Financial Reporting Standards for consolidated financial information was adopted.

II. Future outlook

In terms of the display driver IC (DDI), Sitronix will continue the long-term innovation research and development for small and medium-sized products. The Company has successfully developed the zero-capacitance solution and introduced it into various factories to maintain the growth and stability of revenue and profit by product differentiation. We will continue to develop DDI products and gradually expand to the high-end market while consolidating the existing mid - and low-end markets. On the whole, the diversification strategy of Sitronix shall include cross-industry, application, customer base, resolution, silicon materials and many other aspects.

Non-DDI products, such as MCU, power management control chip, ambient light sensing chip, distance sensing chip and MEMS sensing chip, are also important in the long-term development of the Company. We are optimistic about the future market trends and excellent gross margin performance, and committed to developing product differentiation.

In the future, Sitronix will continue to focus on various industries with high revenue growth and high gross margin, achieving balance in between. Moreover, the Company will continue to the profitability by simultaneously developing technology, cultivating talents, strengthening control and administrative expenses, optimizing and adjusting the organization and achieving overall balance.

Generally speaking, Sitronix will continue to integrate the wisdom of all colleagues, continue to expand new customers and new application markets, and pursuit the best achievements. We are confident in the stable growth, and share of the abundant operating results with shareholders, customers and employees. In the end, thank you again for your long-term support and care.

Sitronix Technology Corp.
2020 Audit Committee's Review Report

The Board of Directors has prepared the Company's business report, financial statements, and the profit distribution proposal for 2020, in which the financial statements have been audited by Deloitte & Touche Taipei, Taiwan Republic of China with the audit report issued. The above business statement, financial statements, and profit distribution proposal have been verified by the Audit Committee and deemed as appropriate, and reported as above in accordance with the relevant provisions of the Securities Exchange Act and the Company Act for approval.

Sincerely,
2021 Annual Shareholders' Meeting of Sitronix Technology Corp.

Sitronix Technology Corp.
Chairman of the Audit Committee: Cheng-Chieh Dai

March 18, 2021

Sitronix Technology Corp.

Attachment III

Roster of Director Candidates

Title	Director	Director	Director	Director	Director	Independent Director	Independent Director	Independent Director	Independent Director
Name	Vincent Mao	Wen-Bin Lin	I-Hsi Cheng	Silicon Power Computer & Communications Inc.	Sheng-Su Lee	Cheng-Chieh Dai	Yu-Nu Lin	Jui-Hsiang Lo	Ching-Jung Hsu
Account Number	11	26	24	61339	44	42917	-	-	-
Current Position	Chairman & CEO, Corporation	Director, Corporation	R&D Director, Corporation	Director, Corporation	Deputy CEO, Silicon Power Computer & Communications Inc.	General Manager, Accuvision Technology Inc.	Financial Assistant General Manager, Chin-Poon Industrial Co., Ltd.	Chairman, IC PLUS Corp.	General Manager, Shin Hwa Clock Industry Co., Ltd.
Education Background	EMBA, National Taiwan University Institute of Microelectronics, Cheng Kung University	Electronics, Taipei Tech	Department of Electronics Engineering, NCTU	Not applicable	Graduate Institute of Electrical Engineering, National Taiwan University	Institute of Electrical Engineering, State University of New York at Stony Brook Department of Electrical Engineering, Cheng Kung University	EMBA, Taiwan University Department of Accounting, Chengchi University	MBA Program, National Chengchi University Department of Electronics Engineering, NCTU	Accounting and Statistics Department of Aletheia University
Professional Experience	General Manager, Corporation. Market Planning, United Microelectronics Corp.	Director, Gu Ming Investment Co., Ltd.	Deputy Manager, Design Department, Novatek Microelectronics Corp.	Not applicable	General Manager, Corporation.	Assistant General Manager, Accusys, Inc. Business Manager, Elitegroup Computer Systems Inc.	Assistant Business Manager, Taiwan Securities Co., Ltd. Intermediate Auditor, KPMG Taiwan Passing the Accounting Entrance Exam	Director, Dadi Kid Education Co., Ltd. Independent Director & remuneration committee member, Silicon Integrated Systems Director, Hon Yang Healthcare Co., Ltd. Director, Cloudberry Consultant Corp.	General Manager, Shin Hwa Clock Industry Co., Ltd.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders
Sitronix Technology Corporation

Opinion

We have audited the accompanying financial statements of Sitronix Technology Corporation (the Company), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Company's parent company only financial statements for the year ended December 31, 2020 are stated as follows:

Recognition of sales revenue

The Company's main source of revenue comes from the sale of goods. For the year ended December 31, 2020, the revenue recognized was NT\$7,327,386 thousand, please refer to Notes 4 and 22 for information on the accounting policies of revenue recognition. Such revenue is recognized when the goods are transferred to the customer and the performance obligations are met. The revenue recognition process is that after receiving customers' order and checking the transaction conditions, the business unit creates a manufacturing notice in the system, and enters into the production schedule after obtaining the approval from the supervisor. As soon as the production is completed, the production unit would issue packing lists and invoices from the system, the Company would obtain signed packing list or the bill of lading from the shipping companies when those shipping companies pick up the goods, then the system would

check the shipping-related information, to generate the sales details. The accounting officers would recognize sales revenue according to the sales details.

We have assessed that the customers of the Company whose revenue had changed significantly for 2020 to be subject to the risk of validity of revenue recognition. Therefore, in order to confirm the validity of the Company's revenue recognition, we performed the following audit procedures on the sales transactions of these customers:

1. We understood the internal controls over revenue recognition, evaluated the design of the key controls, determined whether the controls have been implemented and tested the operating effectiveness of the controls.
2. We sampled and inspected the validity of the background information of customers that had significant changes in the annual sales revenue growth rate and understood the reasonableness of such customers' credit terms.
3. We sampled and inspected whether an original purchase order existed for each sale and was approved appropriately.
4. We inspected product names and quantities on notifications of manufacturing, invoices and goods receipt and inspected the amounts to ensure they were consistent.
5. We inspected the reasonableness of collection of accounts receivable and whether the collection amounts and counterparties were consistent with the revenue recognized.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2020 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 audit resulting in this independent auditors' report are Cheng Chih Lin and Yu Feng Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 18, 2021

Notice to Readers

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

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

SITRONIX TECHNOLOGY CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

ASSETS	2020		2019		LIABILITIES AND EQUITY	2020		2019	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4, 6 and 30)	\$ 1,682,165	19	\$ 1,317,028	17	Short-term borrowings (Notes 4, 18, 28 and 30)	\$ 247,776	3	\$ 278,814	4
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 30)	256,741	3	117,604	1	Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 30)	4,390	-	178	-
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 30)	315,311	3	315,609	4	Trade payables (Note 30)	864,290	9	1,214,318	16
Financial assets at amortized cost - current (Notes 4, 9, 30 and 32)	83,004	1	149,355	2	Payables to related parties (Notes 30 and 31)	157,122	2	185,166	2
Notes receivables and trade receivables (Notes 4, 10, 22 and 30)	776,212	8	846,153	11	Accrued profit sharing bonus to employees' compensation and remuneration of directors (Note 23)	161,683	2	143,029	2
Notes receivables and trades receivables from related parties (Notes 4, 22, 30 and 31)	12,832	-	16,216	-	Other payables (Notes 19 and 30)	534,545	6	360,317	5
Other receivables (Notes 4, 10 and 30)	61,681	1	55,014	1	Other payables to related parties (Notes 30 and 31)	11,373	-	11,804	-
Other receivables from related parties (Notes 4, 30 and 31)	62,884	1	67,223	1	Current tax liabilities (Notes 4 and 24)	185,296	2	104,623	1
Inventories (Notes 4, 5 and 11)	834,755	9	1,017,895	13	Lease liabilities - current (Notes 4, 14, 28, 30 and 31)	13,163	-	23,973	-
Prepayments (Note 17)	81,129	1	93,587	1	Other current liabilities (Notes 19, 22 and 30)	74,485	1	26,391	-
Other current assets (Notes 4, 17 and 30)	6,503	-	3,631	-					
Total current assets	<u>4,173,217</u>	<u>46</u>	<u>3,999,315</u>	<u>51</u>	Total current liabilities	<u>2,254,123</u>	<u>25</u>	<u>2,348,613</u>	<u>30</u>
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 30)	7,036	-	34,487	-	Deferred tax liabilities (Notes 4 and 24)	6,850	-	5,136	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 30)	304,916	3	398,845	5	Lease liabilities - non-current (Notes 4, 14, 28, 30 and 31)	2,409	-	13,006	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 30)	58,534	1	30,542	-	Net defined benefit liabilities - non-current (Notes 4 and 20)	44,877	-	46,646	1
Investment accounted for using the equity method (Notes 4, 12, 27 and 31)	3,477,557	39	2,390,668	30	Other non-current liabilities (Notes 28, 30 and 31)	52,538	1	36,740	-
Property, plant and equipment (Notes 4, 13 and 31)	422,019	5	416,017	5	Total non-current liabilities	<u>106,674</u>	<u>1</u>	<u>101,528</u>	<u>1</u>
Right-of-use assets (Notes 4, 14 and 31)	16,515	-	39,763	1	Total liabilities	<u>2,360,797</u>	<u>26</u>	<u>2,450,141</u>	<u>31</u>
Investment properties (Notes 4 and 15)	467,787	5	526,960	7	EQUITY (Notes 4, 21, 26 and 27)				
Intangible assets (Notes 4 and 16)	19,659	-	30,291	-	Share capital				
Deffered tax assets - non-current (Notes 4 and 24)	15,214	-	-	-	Ordinary shares	<u>1,201,369</u>	<u>13</u>	<u>1,201,369</u>	<u>15</u>
Other non-current assets (Notes 4, 17 and 30)	39,481	1	49,153	1	Capital surplus	<u>1,662,839</u>	<u>19</u>	<u>772,321</u>	<u>10</u>
Total non-current assets	<u>4,828,718</u>	<u>54</u>	<u>3,916,726</u>	<u>49</u>	Retained earnings				
					Legal reserve	1,082,588	12	959,529	12
					Special reserve	77,526	1	251,947	3
					Unappropriated earnings	<u>2,805,919</u>	<u>31</u>	<u>2,358,260</u>	<u>30</u>
					Total retained earnings	<u>3,966,033</u>	<u>44</u>	<u>3,569,736</u>	<u>45</u>
					Other equity				
					Exchange differences on translating the financial statement of foreign operations	(10,444)	-	(9,688)	-
					Unrealized gain (loss) on financial assets at fair value through other comprehensive income	<u>(169,780)</u>	<u>(2)</u>	<u>(67,838)</u>	<u>(1)</u>
					Total other equity	<u>(180,224)</u>	<u>(2)</u>	<u>(77,526)</u>	<u>(1)</u>
					Treasury shares	<u>(8,879)</u>	<u>-</u>	<u>-</u>	<u>-</u>
					Total equity	<u>6,641,138</u>	<u>74</u>	<u>5,465,900</u>	<u>69</u>
TOTAL	<u>\$ 9,001,935</u>	<u>100</u>	<u>\$ 7,916,041</u>	<u>100</u>	TOTAL	<u>\$ 9,001,935</u>	<u>100</u>	<u>\$ 7,916,041</u>	<u>100</u>

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

SITRONIX TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	2020		2019	
	Amount	%	Amount	%
NET REVENUE (Notes 4, 22 and 31)	\$ 7,327,386	100	\$ 8,306,120	100
OPERATING COSTS (Notes 4, 11, 20, 23 and 31)	<u>5,345,432</u>	<u>73</u>	<u>6,485,879</u>	<u>78</u>
GROSS PROFIT	<u>1,981,954</u>	<u>27</u>	<u>1,820,241</u>	<u>22</u>
OPERATING EXPENSES (Notes 4, 20, 23 and 31)				
Selling and marketing expenses	158,233	2	169,487	2
General and administrative expenses	266,778	3	196,595	2
Research and development expenses	<u>1,092,895</u>	<u>15</u>	<u>1,088,913</u>	<u>13</u>
Total operating expenses	<u>1,517,906</u>	<u>20</u>	<u>1,454,995</u>	<u>17</u>
OTHER OPERATING INCOME AND EXPENSES _s (Notes 4, 23 and 31)	<u>93,172</u>	<u>1</u>	<u>9,805</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>557,220</u>	<u>8</u>	<u>375,051</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES				
Interest incomes (Notes 4, 23 and 31)	13,177	-	18,849	-
Other incomes (Notes 4, 23 and 31)	52,820	1	57,598	1
Other gains and lossess (Notes 4, 23 and 31)	68,709	1	14,166	-
Finance costs (Notes 4, 23 and 31)	(4,286)	-	(7,993)	-
Share of profit of subsidiaries (Notes 4 and 12)	<u>824,295</u>	<u>11</u>	<u>834,811</u>	<u>10</u>
Total non-operating income and expenses	<u>954,715</u>	<u>13</u>	<u>917,431</u>	<u>11</u>
INCOME BEFORE INCOME TAX	1,511,935	21	1,292,482	16
INCOME TAX EXPENSE (Notes 4 and 24)	<u>127,117</u>	<u>2</u>	<u>61,894</u>	<u>1</u>
NET INCOME FOR THE YEAR	<u>1,384,818</u>	<u>19</u>	<u>1,230,588</u>	<u>15</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 20 and 21)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	(2,836)	-	2,208	-

(Continued)

SITRONIX TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	\$ (107,406)	(2)	\$ 121,594	1
Share of the other comprehensive (loss) income of subsidiaries accounted for using the equity method	(85,167)	(1)	80,082	1
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating the financial statements of foreign operations	(756)	-	(8,842)	-
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	(529)	-	88	-
Share of the other comprehensive income of subsidiaries accounted for using the equity method	<u>2,377</u>	<u>-</u>	<u>34</u>	<u>-</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(194,317)</u>	<u>(3)</u>	<u>195,164</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,190,501</u>	<u>16</u>	<u>\$ 1,425,752</u>	<u>17</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 11.53</u>		<u>\$ 10.27</u>	
Diluted	<u>\$ 11.44</u>		<u>\$ 10.17</u>	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

SITRONIX TECHNOLOGY CORPORATION
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	Share Capital (Note 21)		Capital Surplus (Notes 21 and 27)	Retained Earnings (Note 21)			Other Equity (Notes 4, 21 and 26)				Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Compensation of Employees	Treasury Share	
BALANCE AT JANUARY 1, 2019	120,223	\$ 1,202,226	\$ 761,304	\$ 875,493	\$ 26,644	\$ 2,124,198	\$ (846)	\$ (251,101)	\$ (25,652)	\$ -	\$ 4,712,266
Appropriation of 2018 earnings											
Legal reserve	-	-	-	84,036	-	(84,036)	-	-	-	-	-
Special reserve	-	-	-	-	225,303	(225,303)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(601,113)	-	-	-	-	(601,113)
Other changes in capital surplus											
Actual acquisition or disposal of interests in subsidiaries	-	-	(2,041)	-	-	(106,817)	-	-	-	-	(108,858)
Changes in percentage of ownership interests in subsidiaries	-	-	21,071	-	-	-	-	-	-	-	21,071
Compensation cost of restricted shares for employees	-	-	-	-	-	-	-	-	16,782	-	16,782
Restricted employee rights, new shares are not vested	(86)	(857)	(8,013)	-	-	-	-	-	8,870	-	-
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	18,535	-	(18,535)	-	-	-
Net income for the year ended December 31, 2019	-	-	-	-	-	1,230,588	-	-	-	-	1,230,588
Other comprehensive income (loss) for year ended December 31, 2019, net of income tax	-	-	-	-	-	2,208	(8,842)	201,798	-	-	195,164
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	1,232,796	(8,842)	201,798	-	-	1,425,752
BALANCE AT DECEMBER 31, 2019	120,137	1,201,369	772,321	959,529	251,947	2,358,260	(9,688)	(67,838)	-	-	5,465,900
Appropriation of 2019 earnings											
Legal reserve	-	-	-	123,059	-	(123,059)	-	-	-	-	-
Special reserve	-	-	-	-	(174,421)	174,421	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(780,890)	-	-	-	-	(780,890)
The Company's shares held by its subsidiary treated as treasury shares	-	-	-	-	-	-	-	-	-	(8,879)	(8,879)
Other changes in capital surplus											
Actual acquisition or disposal of interests in subsidiaries	-	-	-	-	-	(116,012)	-	-	-	-	(116,012)
Changes in percentage of ownership interests in subsidiaries	-	-	890,518	-	-	-	-	-	-	-	890,518
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	(88,783)	-	88,783	-	-	-
Net income for the year ended December 31, 2020	-	-	-	-	-	1,384,818	-	-	-	-	1,384,818
Other comprehensive income (loss) for year ended December 31, 2020, net of income tax	-	-	-	-	-	(2,836)	(756)	(190,725)	-	-	(194,317)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	1,381,982	(756)	(190,725)	-	-	1,190,501
BALANCE AT DECEMBER 31, 2020	120,137	\$ 1,201,369	\$ 1,662,839	\$ 1,082,588	\$ 77,526	\$ 2,805,919	\$ (10,444)	\$ (169,780)	\$ -	\$ (8,879)	\$ 6,641,138

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

SITRONIX TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,511,935	\$ 1,292,482
Adjustments for:		
Depreciation expense	150,336	149,534
Amortization expense	22,252	25,782
Net gain on fair value changes of financial assets at fair value through profit or loss	(92,891)	(16,225)
Finance costs	4,286	7,993
Interest income	(13,177)	(18,849)
Dividend income	(6,701)	(13,858)
Compensation cost of share-based payment	-	16,782
Share of profits of subsidiaries	(824,295)	(834,811)
Gain on disposal of property, plant and equipment	(29,038)	(9,662)
Gain on disposal of investment properties	(62,396)	-
Write-down of inventories	50,300	13,871
Unrealized net loss on foreign currency exchange	41,336	14,906
Gain on lease modification	(10)	-
Deferred other income	(2,623)	-
Changes in operating assets and liabilities		
Notes receivable and trade receivables	66,185	89,432
Receivables from related parties	3,363	537
Other receivables	(6,941)	(28,896)
Other receivables from related parties	(5,679)	1,308
Inventories	132,840	347,200
Prepayments	12,458	(18,492)
Other current assets	(2,872)	7,054
Trade payables	(350,502)	211,622
Payables to related parties	(26,709)	86,053
Other payables	165,993	28,482
Other payables to related parties	(431)	5,039
Other current liabilities	48,094	(11,243)
Net defined benefit liabilities	(4,605)	(2,464)
Accrued profit sharing bonus to employees' compensation and remuneration of directors	<u>18,654</u>	<u>44,706</u>
Cash generated from operations	799,162	1,388,283
Interest received	13,544	19,093
Interest paid	(4,127)	(7,623)
Income tax paid	<u>(59,944)</u>	<u>(31,653)</u>
Net cash generated from operating activities	<u>748,635</u>	<u>1,368,100</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(150,216)	(82,191)
Disposal of financial assets at fair value through other comprehensive income	166,509	9,109
Purchase of financial assets measured at amortized cost	(434,900)	(770,365)
Proceeds from the return of principle of financial assets at amortized cost	469,826	787,312
Purchase of financial assets at fair value through profit or loss	(381,154)	(42,996)
Proceeds from sale of financial assets at fair value through profit or loss	366,571	49,128
Acquisition of subsidiaries	(287,447)	(334,167)

(Continued)

SITRONIX TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Increase in prepayments for investment	\$ (30,000)	\$ (30,000)
Disposal of subsidiaries	60,380	-
Payments for property, plant and equipment	(109,491)	(93,220)
Proceeds from disposal of property, plant and equipment	30,744	15,001
Increase in refundable deposits	-	(1,020)
Decrease in refundable deposits	873	-
Decrease in other receivable from related parties	9,547	19,409
Payment of intangible assets	(8,617)	(15,673)
Proceeds from disposal of investment properties	113,710	-
Increase in prepayments for equipment	-	(12,224)
Dividends received	557,765	149,342
Disposal of expertise	<u>78,691</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>452,791</u>	<u>(352,555)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	3,828,791	2,019,901
Repayments of short-term borrowings	(3,864,445)	(2,183,250)
Proceeds from guarantee deposits received	18,092	10,374
Repayment of the principal portion of lease liabilities	(24,516)	(25,030)
Cash dividends distributed	(780,890)	(601,113)
Net cash inflow on disposal of subsidiaries	<u>19,422</u>	<u>59,010</u>
Net cash used in financing activities	<u>(803,546)</u>	<u>(720,108)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(32,743)</u>	<u>(24,708)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	365,137	270,729
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,317,028</u>	<u>1,046,299</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,682,165</u>	<u>\$ 1,317,028</u>

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders
Sitronix Technology Corporation

Opinion

We have audited the accompanying consolidated financial statements of Sitronix Technology Corporation and its subsidiaries (the "Group"), which comprise the balance sheets as of December 31, 2020 and 2019, the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. 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 of the Group's consolidated financial statements for the year ended December 31, 2020 is described as follows:

Recognition of sales revenue

The Group's main source of revenue comes from the sale of goods. For the year ended December 31, 2020, the revenue recognized was NT\$13,804,562 thousand, please refer to Notes 4, 22 and 38 for information on the accounting policies of revenue recognition. Such revenue is recognized when the goods are transferred to the customer and the performance obligations are met. The revenue recognition process is that after receiving

customers' order and checking the transaction conditions, the business unit creates a manufacturing notice in the system, and enters into the production schedule after obtaining the approval from the supervisor. As soon as the production is completed, the production unit would issue packing lists and invoices from the system, the Group would obtain signed packing list or the bill of lading on sight from the shipping companies when those shipping companies pick up the goods, then the system would check the shipping-related information, to generate the sales details. The accounting officers would recognize sales revenue according to the sales details.

We have assessed that the customers of the Group whose revenue had changed significantly for 2020 to be subject to the risk of validity of revenue recognition. Therefore, in order to confirm the validity of the Group's revenue recognition, we performed the following audit procedures on the sales transactions of these customers:

1. We understood the internal controls over revenue recognition, evaluated the design of the key controls, determined whether the controls have been implemented and tested the operating effectiveness of the controls.
2. We sampled and inspected the validity of the background information of customers that had significant changes in the annual sales revenue growth rate and understood the reasonableness of such customers' credit terms.
3. We sampled and inspected whether an original purchase order existed for each sale and whether it had been appropriately approved.
4. We inspected product names and quantities on notifications of manufacturing, invoices and goods receipt and inspected the amounts to ensure they were consistent.
5. We inspected the reasonableness of collection of accounts receivable and whether the collection amounts and counterparties were consistent with the revenue recognized.

Other Matter

We have also audited the parent company only financial statements of Sitronix Technology Corporation as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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 the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 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 Cheng-Chih Lin and Yu-Feng Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 18, 2021

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.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES
**CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

ASSETS	2020		2019		LIABILITIES AND EQUITY	2020		2019	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4, 6 and 30)	\$ 5,586,541	41	\$ 2,932,647	27	Short-term borrowings (Notes 4, 18, 28 and 30)	\$ 267,776	2	\$ 278,814	3
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 30)	630,694	5	130,727	1	Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 30)	4,390	-	178	-
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 30)	606,903	4	323,364	3	Trade payables (Note 30)	1,893,923	14	2,085,145	19
Financial assets at amortized cost - current (Notes 4, 9, 30 and 32)	1,530,290	11	1,686,524	16	Accrued profit sharing bonus to employees' compensation and remuneration of directors (Note 23)	338,113	2	293,193	3
Notes receivable and trade receivables (Notes 4, 10, 22 and 30)	1,377,691	10	1,398,378	13	Other payables (Notes 19 and 30)	1,132,495	8	805,665	8
Notes receivable and trade receivables from related parties (Notes 4, 30 and 31)	872	-	454	-	Other payables to related parties (Notes 30 and 31)	1,051	-	98	-
Other receivables (Notes 4, 10 and 30)	73,643	1	64,911	-	Current tax liabilities (Notes 4 and 24)	426,345	3	317,778	3
Inventories (Notes 4, 5 and 11)	1,543,734	11	1,909,664	18	Lease liabilities - current (Notes 4, 14 and 28)	29,899	-	33,831	-
Prepayments (Note 17)	174,507	1	173,801	2	Other current liabilities (Notes 19, 22 and 30)	101,630	1	31,134	-
Other current assets (Notes 4, 17 and 30)	19,862	-	5,698	-	Total current liabilities	4,195,622	30	3,845,836	36
Total current assets	11,544,737	84	8,626,168	80	NON-CURRENT LIABILITIES				
NON-CURRENT ASSETS					Deferred tax liabilities (Notes 4 and 24)	6,850	-	5,136	-
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 30)	7,036	-	52,339	-	Lease liabilities - non-current (Notes 4, 14 and 28)	52,274	1	31,431	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 30)	718,693	5	731,534	7	Net defined benefit liabilities - non-current (Notes 4 and 20)	44,877	-	46,646	1
Financial assets at amortized cost - non-current (Notes 4, 9 and 30)	58,534	-	30,542	-	Other non-current liabilities (Notes 28 and 31)	237,460	2	226,163	2
Property, plant and equipment (Notes 4 and 13)	1,022,534	7	854,126	8	Total non-current liabilities	341,461	3	309,376	3
Right-of-use assets (Notes 4 and 14)	82,998	1	68,496	1	Total liabilities	4,537,083	33	4,155,212	39
Investment properties (Notes 4 and 15)	246,339	2	301,625	3	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY				
Intangible assets (Notes 4 and 16)	43,766	-	37,986	-	(Notes 4, 21, 26 and 27)				
Deferred tax assets - non-current (Notes 4 and 24)	15,214	-	-	-	Share capital				
Other non-current assets (Notes 4, 17 and 30)	76,309	1	58,088	1	Ordinary shares	1,201,369	8	1,201,369	11
Total non-current assets	2,271,423	16	2,134,736	20	Capital surplus	1,662,839	12	772,321	7
TOTAL	\$ 13,816,160	100	\$ 10,760,904	100	Retained earnings				
					Legal reserve	1,082,588	8	959,529	9
					Special reserve	77,526	1	251,947	2
					Unappropriated earnings	2,805,919	20	2,358,260	22
					Total retained earnings	3,966,033	29	3,569,736	33
					Other equity				
					Exchange differences on translating the financial statements of foreign operations	(10,444)	-	(9,688)	-
					Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(169,780)	(1)	(67,838)	-
					Total other equity	(180,224)	(1)	(77,526)	-
					Treasury shares	(8,879)	-	-	-
					Total equity attributable to owners of the Company	6,641,138	48	5,465,900	51
					NON-CONTROLLING INTERESTS (Notes 12, 21 and 27)	2,637,939	19	1,139,792	10
					Total equity	9,279,077	67	6,605,692	61
					TOTAL	\$ 13,816,160	100	\$ 10,760,904	100

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

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
NET REVENUE (Notes 4, 22 and 31)	\$ 13,804,562	100	\$ 13,802,738	100
OPERATING COSTS (Notes 4, 11 and 23)	<u>9,018,737</u>	<u>66</u>	<u>9,417,393</u>	<u>68</u>
GROSS PROFIT	<u>4,785,825</u>	<u>34</u>	<u>4,385,345</u>	<u>32</u>
OPERATING EXPENSES (Notes 4, 10, 23 and 31)				
Selling and marketing expenses	257,452	2	235,678	2
General and administrative expenses	560,635	4	483,216	3
Research and development expenses	1,677,211	12	1,587,676	12
Expected credit loss (gain)	<u>3</u>	<u>-</u>	<u>2,012</u>	<u>-</u>
Total operating expenses	<u>2,495,301</u>	<u>18</u>	<u>2,308,582</u>	<u>17</u>
OTHER OPERATING INCOME AND EXPENSES	<u>92,524</u>	<u>1</u>	<u>9,663</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>2,383,048</u>	<u>17</u>	<u>2,086,426</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 23 and 31)				
Interest income	43,698	-	36,828	-
Other income	51,550	-	65,447	1
Other gains and losses	52,424	1	25,540	-
Finance costs	<u>(7,094)</u>	<u>-</u>	<u>(10,819)</u>	<u>-</u>
Total non-operating income and expenses	<u>140,578</u>	<u>1</u>	<u>116,996</u>	<u>1</u>
INCOME BEFORE INCOME TAX	2,523,626	18	2,203,422	16
INCOME TAX EXPENSE (Notes 4 and 24)	<u>359,513</u>	<u>2</u>	<u>265,265</u>	<u>2</u>
NET INCOME FOR THE YEAR	<u>2,164,113</u>	<u>16</u>	<u>1,938,157</u>	<u>14</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 20 and 21)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	(2,836)	-	2,208	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(193,447)	(2)	201,676	1

(Continued)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of the financial statements of foreign operations	\$ (443)	-	\$ (9,397)	-
Unrealized gain on investments in debt instruments at fair value through other comprehensive income	<u>1,839</u>	<u>-</u>	<u>122</u>	<u>-</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(194,887)</u>	<u>(2)</u>	<u>194,609</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,969,226</u>	<u>14</u>	<u>\$ 2,132,766</u>	<u>15</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,384,818	10	\$ 1,230,588	9
Non-controlling interests	<u>779,295</u>	<u>6</u>	<u>707,569</u>	<u>5</u>
	<u>\$ 2,164,113</u>	<u>16</u>	<u>\$ 1,938,157</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,190,501	8	\$ 1,425,752	10
Non-controlling interests	<u>778,725</u>	<u>6</u>	<u>707,014</u>	<u>5</u>
	<u>\$ 1,969,226</u>	<u>14</u>	<u>\$ 2,132,766</u>	<u>15</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 11.53</u>		<u>\$ 10.27</u>	
Diluted	<u>\$ 11.44</u>		<u>\$ 10.17</u>	

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

(Concluded)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Company (Notes 4, 21 and 26)												
	Share Capital		Capital Surplus	Retained Earnings			Other Equity			Treasury Share	Total	Non-controlling Interests (Notes 12, 21 and 27)	Total Equity
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Compensation of Employees				
BALANCE AT JANUARY 1, 2019	120,223	\$ 1,202,226	\$ 761,304	\$ 875,493	\$ 26,644	\$ 2,124,198	\$ (846)	\$ (251,101)	\$ (25,652)	\$ -	\$ 4,712,266	\$ 493,406	\$ 5,205,672
Appropriation of 2018 earnings													
Legal reserve	-	-	-	84,036	-	(84,036)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	225,303	(225,303)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(601,113)	-	-	-	-	(601,113)	-	(601,113)
Other changes in capital surplus													
Actual acquisition or disposal of interests in subsidiaries	-	-	(2,041)	-	-	(106,817)	-	-	-	-	(108,858)	-	(108,858)
Changes in percentage of ownership interests in subsidiaries	-	-	21,071	-	-	-	-	-	-	-	21,071	(13,705)	7,366
Compensation costs of restricted shares for employees	-	-	-	-	-	-	-	-	16,782	-	16,782	-	16,782
Restricted employee rights, new shares are not vested	(86)	(857)	(8,013)	-	-	-	-	-	8,870	-	-	-	-
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	18,535	-	(18,535)	-	-	-	-	-
Net income for the year ended December 31, 2019	-	-	-	-	-	1,230,588	-	-	-	-	1,230,588	707,569	1,938,157
Other comprehensive income (loss) for year ended December 31, 2019, net of income tax	-	-	-	-	-	2,208	(8,842)	201,798	-	-	195,164	(555)	194,609
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	1,232,796	(8,842)	201,798	-	-	1,425,752	707,014	2,132,766
Increase in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	32,542	32,542
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(79,465)	(79,465)
BALANCE AT DECEMBER 31, 2019	120,137	1,201,369	772,321	959,529	251,947	2,358,260	(9,688)	(67,838)	-	-	5,465,900	1,139,792	6,605,692
Appropriation of 2019 earnings													
Legal reserve	-	-	-	123,059	-	(123,059)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(174,421)	174,421	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(780,890)	-	-	-	-	(780,890)	-	(780,890)
The Company's shares held by its subsidiary treated as treasury shares	-	-	-	-	-	-	-	-	-	(8,879)	(8,879)	(10,398)	(19,277)
Other changes in capital surplus													
Actual acquisition or disposal of interests in subsidiaries	-	-	-	-	-	(116,012)	-	-	-	-	(116,012)	-	(116,012)
Changes in percentage of ownership interests in subsidiaries	-	-	890,518	-	-	-	-	-	-	-	890,518	(890,518)	-
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	(88,783)	-	88,783	-	-	-	-	-
Net income for the year ended December 31, 2020	-	-	-	-	-	1,384,818	-	-	-	-	1,384,818	779,295	2,164,113
Other comprehensive income (loss) for year ended December 31, 2020, net of income tax	-	-	-	-	-	(2,836)	(756)	(190,725)	-	-	(194,317)	(570)	(194,887)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	1,381,982	(756)	(190,725)	-	-	1,190,501	778,725	1,969,226
Increase in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	2,090,853	2,090,853
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(470,515)	(470,515)
BALANCE AT DECEMBER 31, 2020	120,137	\$ 1,201,369	\$ 1,662,839	\$ 1,082,588	\$ 77,526	\$ 2,805,919	\$ (10,444)	\$ (169,780)	\$ -	\$ (8,879)	\$ 6,641,138	\$ 2,637,939	\$ 9,279,077

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

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,523,626	\$ 2,203,422
Adjustments for:		
Depreciation expense	292,127	256,117
Amortization expense	32,815	31,894
Expected credit loss recognized on trade receivables	3	2,012
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(97,317)	(22,688)
Finance costs	7,094	10,819
Interest income	(43,698)	(36,828)
Dividend income	(6,937)	(14,389)
Compensation costs of share-based payments	34,735	18,087
Gain on disposal of property, plant and equipment	(29,019)	(9,663)
Gain on disposal of investment properties	(62,396)	-
Write-down of inventories	65,255	70,271
Unrealized net loss on foreign currency exchange	33,084	4,590
Changes in operating assets and liabilities		
Notes receivable and trade receivables	16,509	(61,498)
Receivables from related parties	(418)	(415)
Other receivables	(5,280)	(6,752)
Inventories	300,675	91,086
Prepayments	(706)	(47,842)
Other current assets	(14,164)	6,840
Trade payables	(191,812)	551,558
Other payables	303,064	290,669
Other payables to related parties	953	98
Other current liabilities	70,620	(11,740)
Net defined benefit liabilities	(4,605)	(2,464)
Accrued profit sharing bonus to employees' compensation and remuneration of directors	<u>46,952</u>	<u>144,536</u>
Cash generated from operations	3,271,160	3,467,720
Interest received	40,598	32,069
Interest paid	(5,838)	(9,336)
Income tax paid	<u>(264,446)</u>	<u>(85,872)</u>
Net cash generated from operating activities	<u>3,041,474</u>	<u>3,404,581</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(603,621)	(89,949)
Disposal of financial assets at fair value through other comprehensive income	171,113	88,293
Purchase of financial assets measured at cost	(3,763,186)	(3,415,634)
Proceeds from the return of principal of financial assets at amortized cost	3,887,995	2,111,401

(Continued)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Acquisitions of financial assets at fair value through profit or loss	\$ (736,154)	\$ (55,796)
Disposal of financial assets at fair value through profit or loss	383,019	115,135
Increase in prepayments for investment	(60,000)	(30,000)
Acquisition of property, plant and equipment	(384,754)	(243,273)
Proceeds from disposal of property, plant and equipment	30,765	15,002
Increase in refundable deposits	-	(6,066)
Decrease in refundable deposits	2,553	-
Payment of intangible assets	(38,575)	(22,062)
Proceeds from disposal of investment properties	113,710	-
Increase in prepayments for equipment	-	(12,338)
Dividends received	<u>6,937</u>	<u>14,389</u>
Net cash used in investing activities	<u>(990,198)</u>	<u>(1,530,898)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	4,700,520	2,392,658
Repayments of short-term borrowings	(4,716,174)	(2,586,807)
Proceeds from guarantee deposits received	20,539	58,221
Repayment of the principal portion of lease liabilities	(38,456)	(34,277)
Cash dividends distributed	(780,890)	(601,113)
Payments for buy back of treasury shares	(19,277)	-
Dividends paid to non-controlling interests	(470,515)	(79,465)
Net cash inflow on disposal of subsidiaries	884,938	59,010
Increase (decrease) in non-controlling interests	1,032,503	(191,075)
Employee compensation is issued in the form of stock that are not vested	<u>20,633</u>	<u>13,396</u>
Net cash generated from (used in) financing activities	<u>633,821</u>	<u>(969,452)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(31,203)</u>	<u>(31,813)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,653,894	872,418
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,932,647</u>	<u>2,060,229</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,586,541</u>	<u>\$ 2,932,647</u>

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

(Concluded)

Sitronix Technology Corp.
2020 Profit Distribution Proposal

Unit: NT\$

Item	Amount
Unappropriated retained earnings	1,628,730,774
Net profit after tax for current period	1,384,818,276
Adjusted retained earnings for investments accounted for using the equity method	(116,011,728)
Disposal of financial assets measured at fair value through other comprehensive income to adjust retained earnings	(88,783,821)
Actuarial profit and loss for adjustment of retained earnings	(2,835,823)
Items other than net profit for the current period are included in the amount of undistributed surplus for the current year	1,177,186,804
Less: appropriation of legal surplus reserve of 10%	(117,718,680)
Less: Special Reserve in accordance with law	(102,696,664)
Retained earnings available for distribution for current period	2,585,502,234
Less: allocated items	
Shareholders' dividends (cash dividend of NT\$7.5 per share)	(901,026,570)
Unappropriated retained earnings	1,684,475,664

Note: (I) The number of paid-in shares registered by the company as of the book closure date of the shareholders' meeting (March 18, 2021) is 120,136,876 shares. If the number of shares outstanding of the company is affected by the change of the share capital, and the dividend ratio of the shareholders is changed and need to be revised, it is proposed that the annual shareholders' meeting shall give the Chairman full authority to handle.

(II) In compliance with the Finance Taxation's letter of April 30, 1998, the Ministry of Finance, No. 871941343, individual identification shall be adopted in the distribution of earnings. According to the earnings distribution principle of the company, the earnings of 2020 shall be distributed first. If there is not enough, the distributable surplus accumulated in the past shall be allocated in the order of first in, first out according to the year in which the surplus is generated.

Sitronix Technology Corp.

Comparison Table for the "Procedures for Making Outward Loans to Others" Before and After Amendment

Before Amendment	After Amendment	Description
<p>Article 7: Appropriation</p> <p>The appropriation can be made after the outward loan is approved by the board meeting, the finance unit and the borrower have signed the contract and finished relevant procedures, the mortgage of promissory note, IOU or collateral has been registered, and all procedures have been checked correctly. When completing the procedures of each outward loan, the finance unit shall record the amount of the loan and the collateral provided by each borrower in the Schedule of Outward Loans to Others, and prepare a summons for accounting together with the relevant documents.</p>	<p>Article 7: Appropriation</p> <p>The appropriation can be made after the outward loan is approved by the board meeting, the finance unit and the borrower have signed the contract and gone through relevant procedures, the mortgage of promissory note, IOU or collateral has been registered, and all procedures have been checked correctly. When completing the procedures of each outward loan, the finance unit shall record the amount of the loan and the collateral provided by each borrower in the Schedule of Outward Loans to Others, and prepare a summons for accounting together with the relevant documents.</p>	Corrected the text as appropriate.
<p>Article 9: Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights.</p> <p>One to three... (abbreviated)</p>	<p>Article 9: Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights.</p> <p>One to three... (abbreviated)</p> <p><u>IX. The provisions on the extension of the loan mentioned in the preceding paragraph shall not apply to the repayment due to the borrowers of short-term financing.</u></p>	Amended in accordance with the Q&A on the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.
<p>Article 13: Other matters</p> <p>I. Where a subsidiary of the Company intends to make outward loans to others, the Company shall instruct it to formulate its own Procedures for Making Outward Loans to Others in compliance with these Procedures, <u>which is subject to the approval by the Board of Directors of the Company</u>, and it shall comply with the Procedures when making</p>	<p>Article 13: Other matters</p> <p>I. Where a subsidiary of the Company intends to make outward loans to others, the Company shall instruct it to formulate its own Procedures for Making Outward Loans to Others in compliance with these Procedures, <u>which shall be implemented upon the resolution of its Audit Committee and/or the Board of Directors and/or the shareholders' meeting, and it shall instruct the subsidiary to follow the</u></p>	Amended in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Before Amendment	After Amendment	Description
<p>outward loan to others.</p> <p>II. The subsidiary shall also report to the Company before the 5th day of each month the amount, object, and term of the outward loans to others, and shall immediately notify the Company to publicly announce and report the relevant information if the standards set forth in Paragraph 2 of Article 11 of this Procedure are met.</p> <p>III. Internal auditors of the Company shall audit the subsidiary's Procedures for Making Outward Loans to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee in writing of any material violation found.</p> <p>IX Any matters not covered in these Procedures shall be handled in accordance with applicable laws and the Company's regulations.</p>	<p><u>prescribed Procedures when making outward loan to others.</u></p> <p>II. The subsidiary shall also report to the Company before the 5th day of each month the amount, object, and term of the outward loans to others, and shall immediately notify the Company to publicly announce and report the relevant information if the standards set forth in Paragraph 2 of Article 11 of this Procedure are met.</p> <p>III. Internal auditors of the Company shall audit the subsidiary's Procedures for Making Outward Loans to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee in writing of any material violation found.</p> <p>IX. <u>"Subsidiary" and "parent company" as referred to in these Procedures shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p>X. <u>"Net worth" as referred to in these Procedures means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p>XI. Any matters not covered in these Procedures shall be handled in accordance with applicable laws and the Company's regulations.</p>	

Sitronix Technology Corp
Comparison Table for the "Operational Procedures for Trading Derivatives" Before and After Amendment

Before Amendment	After Amendment	Description
<p>Article 2: Principles and Guidelines for the Transaction</p> <p>V. Establishment of upper limits for trading amount and loss</p> <p>(I) The amount held or reasonably expected to be held by the Company shall be the upper limit for trading.</p> <p><u>(II) The upper limit, under a single contract and all contracts, for the losses from trading derivatives shall be ten percent of the total trading amount.</u></p> <p><u>(III) In case of any material adverse impact brought by the exchange rate, the Company shall convene related persons to respond to it at any time.</u></p>	<p>Article 2: Principles and Guidelines for the Transaction</p> <p>V. Establishment of upper limits for trading amount and loss</p> <p>(I) The total outstanding contract amount of hedging financial products shall not exceed the total amount of the foreign currency assets and foreign currency liabilities held and reasonably expected to be held by the company in the next month.</p> <p><u>(II) The total outstanding contract amount of trading financial products shall not exceed 20% of the net value of the Company.</u></p> <p><u>(III) The upper limit, under a single contract and all contracts, for the losses from trading derivatives shall be ten percent of the total trading amount.</u></p> <p><u>(IV) In case of any material adverse impact brought by the exchange rate, the Company shall convene related persons to respond to it at any time.</u></p>	<p>To be adjusted based on operating needs</p>
<p>Article 6: Internal Control System</p> <p>II. Internal control</p> <p>(IV) The trading personnel shall verify at any time whether the total trading amount has exceeded the foreign currency assets, liabilities, and committed net part.</p>	<p>Article 6: Internal Control System</p> <p>II. Internal control</p> <p>(IV) The trading personnel shall verify at any time whether the total outstanding contract amount of derivatives trading exceeds the upper limit for trading as specified in Article 2.</p>	<p>To be adjusted based on operating needs</p>