

**Sitronix Technology Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Six-Month Periods Ended June 30, 2023 and 2022 and
Independent Auditors' Review Report**

Sitronix Technology Corporation and Subsidiaries

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and the Shareholders
Sitronix Technology Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Sitronix Technology Corporation and its subsidiaries (the "Group") as of June 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2023 and 2022, the related consolidated statements of changes in equity and cash flows for the six-month periods ended of June 30, 2023 and 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 Accounting Standard NO.34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following basis for qualified conclusion paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of June 30, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT\$2,634,445 thousand and NT\$2,595,976 thousand, respectively, representing 12.74% and 10.45%, respectively, of the Group's consolidated total assets, and the combined total liabilities of these non-significant subsidiaries as of June 30, 2023 and 2022 were NT\$450,277 thousand and NT\$537,267 thousand, respectively, representing 5.77% and 4.68%, respectively, of the Group's consolidated total liabilities; for the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, the amounts of comprehensive income (loss) of these subsidiaries were NT\$3,044 thousand, NT\$(83,118) thousand, NT\$(23,247) thousand and NT\$(4,547) thousand, respectively, representing 0.39%, (7.50)% , (1.85)% and (0.16)% , respectively, of the Group's consolidated comprehensive income (loss).

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of June 30, 2023 and 2022, its consolidated financial performance for the three-month periods ended June 30, 2023 and 2022 and its consolidated financial performance and its consolidated cash flows for the six-month periods ended June 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” by the Financial Supervisory Commission of the ROC.

The engagement partners on the reviews resulting in this independent auditors’ review report are Cheng-Chih Lin and Mei-Chen Tsai.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 3, 2023

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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review 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’ review report and consolidated financial statements shall prevail.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
JUNE 30, 2023, DECEMBER 31 AND JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023		December 31, 2022		June 30, 2022		LIABILITIES AND EQUITY	June 30, 2023		December 31, 2022		June 30, 2022	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Notes 6 and 30)	\$ 8,522,619	41	\$ 5,661,717	28	\$ 10,146,771	41	Short-term borrowings (Notes 18, 28 and 30)	\$ -	-	\$ 18,119	-	\$ 29,720	-
Financial assets at fair value through profit or loss - current (Notes 7 and 30)	543,307	3	424,634	2	831,086	3	Financial liabilities at fair value through profit or loss - current (Notes 7 and 30)	39,531	-	37,725	-	76,925	-
Financial assets at fair value through other comprehensive income - current (Notes 8 and 30)	743,750	4	564,206	3	644,736	3	Notes payable and trade payables (Note 30)	2,092,327	10	992,089	5	3,118,678	13
Financial assets at amortized cost - current (Notes 9, 30 and 32)	1,250,347	6	2,416,889	12	912,970	4	Accrued profit sharing bonus to employees' compensation and remuneration of directors (Note 23)	357,024	2	611,743	3	640,271	3
Notes receivables and trade receivables (Notes 10, 22 and 30)	1,515,711	7	1,226,520	6	1,630,393	7	Dividends payable (Note 30)	2,819,587	14	-	-	4,019,066	16
Notes receivables and trade receivables from related parties (Notes 22, 30 and 31)	-	-	1,469	-	883	-	Other payables (Notes 19 and 30)	1,517,905	7	1,853,492	10	2,137,957	9
Other receivables (Notes 10 and 30)	92,709	-	98,837	1	97,160	-	Other payables to related parties (Notes 30 and 31)	118	-	182	-	157	-
Inventories (Note 11)	2,993,595	15	4,399,343	22	5,057,980	20	Current tax liabilities (Notes 4 and 24)	347,341	2	984,450	5	790,057	3
Prepayments (Notes 17, 31 and 33)	153,623	1	141,882	1	244,850	1	Lease liabilities - current (Notes 14, 28 and 30)	47,157	-	45,301	-	44,625	-
Other current assets (Notes 17 and 30)	12,427	-	9,941	-	11,091	-	Other current liabilities (Notes 19, 22 and 30)	112,054	1	153,855	1	79,877	-
Total current assets	15,828,088	77	14,945,438	75	19,577,920	79	Total current liabilities	7,333,044	36	4,696,956	24	10,937,333	44
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 30)	259,423	1	435,199	2	437,963	2	Deferred tax liabilities (Notes 4 and 24)	13,970	-	11,697	-	11,612	-
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30)	1,025,174	5	950,102	5	960,333	4	Lease liabilities - non-current (Notes 14, 28 and 30)	120,132	1	87,613	-	107,100	-
Financial assets at amortized cost - non-current (Notes 9 and 30)	31,362	-	30,983	-	30,034	-	Net defined benefit liabilities - non-current (Notes 4 and 20)	30,264	-	31,391	-	35,256	-
Property, plant and equipment (Note 13)	1,885,388	9	1,801,838	9	1,828,308	7	Other non-current liabilities (Notes 28, 30, 31 and 33)	302,024	1	362,810	2	379,088	2
Right-of-use assets (Note 14)	163,065	1	129,164	1	148,692	1	Total non-current liabilities	466,390	2	493,511	2	533,056	2
Investment properties (Note 15)	642,288	3	730,506	4	735,882	3	Total liabilities	7,799,434	38	5,190,467	26	11,470,389	46
Intangible assets (Note 16)	91,450	-	76,898	-	37,975	-	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 21, 26 and 27)						
Deferred tax assets - non-current (Notes 4 and 24)	7,345	-	9,191	-	11,092	-	Share capital						
Other non-current assets (Notes 17, 30 and 33)	741,779	4	847,020	4	1,085,451	4	Ordinary shares	1,201,369	6	1,201,369	6	1,201,369	5
Total non-current assets	4,847,274	23	5,010,901	25	5,275,730	21	Capital surplus	1,703,650	8	1,690,740	8	1,673,289	7
							Retained earnings						
							Legal reserve	2,165,105	10	1,801,820	9	1,801,820	7
							Special reserve	288,225	1	105,464	-	105,464	-
							Unappropriated earnings	4,660,464	23	6,961,331	35	5,841,742	24
							Total retained earnings	7,113,794	34	8,868,615	44	7,749,026	31
							Other equity						
							Exchange differences on translating the financial statements of foreign operations	(5,421)	-	9,186	-	6,592	-
							Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(118,693)	(1)	(290,948)	(1)	(280,423)	(1)
							Total other equity	(124,114)	(1)	(281,762)	(1)	(273,831)	(1)
							Treasury shares	(56,009)	-	(56,009)	-	(40,170)	-
							Total equity attributable to owners of the Company	9,838,690	47	11,422,953	57	10,309,683	42
							NON-CONTROLLING INTERESTS (Notes 12, 21 and 27)	3,037,238	15	3,342,919	17	3,073,578	12
							Total equity	12,875,928	62	14,765,872	74	13,383,261	54
TOTAL	<u>\$ 20,675,362</u>	<u>100</u>	<u>\$ 19,956,339</u>	<u>100</u>	<u>\$ 24,853,650</u>	<u>100</u>	TOTAL	<u>\$ 20,675,362</u>	<u>100</u>	<u>\$ 19,956,339</u>	<u>100</u>	<u>\$ 24,853,650</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 3, 2023)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three-Month Periods Ended June 30				For the Six-Month Periods Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
NET REVENUE (Notes 22 and 31)	\$ 4,409,563	100	\$ 4,537,216	100	\$ 8,010,179	100	\$10,130,826	100
OPERATING COSTS (Notes 11 and 23)	<u>2,860,285</u>	<u>65</u>	<u>2,137,849</u>	<u>47</u>	<u>5,376,301</u>	<u>67</u>	<u>4,720,116</u>	<u>46</u>
GROSS PROFIT	<u>1,549,278</u>	<u>35</u>	<u>2,399,367</u>	<u>53</u>	<u>2,633,878</u>	<u>33</u>	<u>5,410,710</u>	<u>54</u>
OPERATING EXPENSES (Notes 10, 20, 23 and 31)								
Selling and marketing expenses	71,797	1	81,147	2	140,361	2	180,621	2
General and administrative expenses	163,129	4	183,173	4	298,692	4	397,365	4
Research and development expenses	575,836	13	689,836	15	1,069,352	13	1,436,749	14
Reversal of expected credit loss	<u>1,085</u>	<u>-</u>	<u>(4,191)</u>	<u>-</u>	<u>1,237</u>	<u>-</u>	<u>(1,029)</u>	<u>-</u>
Total operating expenses	<u>811,847</u>	<u>18</u>	<u>949,965</u>	<u>21</u>	<u>1,509,642</u>	<u>19</u>	<u>2,013,706</u>	<u>20</u>
OTHER OPERATING INCOME AND EXPENSES (Note 23)	<u>288</u>	<u>-</u>	<u>371</u>	<u>-</u>	<u>557</u>	<u>-</u>	<u>669</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>737,719</u>	<u>17</u>	<u>1,449,773</u>	<u>32</u>	<u>1,124,793</u>	<u>14</u>	<u>3,397,673</u>	<u>34</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 31)								
Interest income	44,803	1	23,328	-	78,787	1	43,101	-
Other income	27,335	-	41,522	1	40,458	-	70,986	1
Other gains and losses	27,947	1	37,208	1	48,500	1	108,705	1
Finance costs	<u>(831)</u>	<u>-</u>	<u>(990)</u>	<u>-</u>	<u>(1,674)</u>	<u>-</u>	<u>(2,088)</u>	<u>-</u>
Total non-operating income and expenses	<u>99,254</u>	<u>2</u>	<u>101,068</u>	<u>2</u>	<u>166,071</u>	<u>2</u>	<u>220,704</u>	<u>2</u>
INCOME BEFORE INCOME TAX	836,973	19	1,550,841	34	1,290,864	16	3,618,377	36
INCOME TAX EXPENSE (Notes 4 and 24)	<u>117,581</u>	<u>3</u>	<u>276,000</u>	<u>6</u>	<u>195,660</u>	<u>2</u>	<u>675,483</u>	<u>7</u>
NET INCOME	<u>719,392</u>	<u>16</u>	<u>1,274,841</u>	<u>28</u>	<u>1,095,204</u>	<u>14</u>	<u>2,942,894</u>	<u>29</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 21)								
Items that will not be reclassified subsequently to profit or loss								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	75,957	2	(163,533)	(4)	173,256	2	(192,659)	(2)
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of the financial statements of foreign operations	(17,580)	-	(1,746)	-	(16,001)	-	21,496	-
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	<u>4,997</u>	<u>-</u>	<u>(614)</u>	<u>-</u>	<u>6,402</u>	<u>-</u>	<u>(1,142)</u>	<u>-</u>
Other comprehensive (loss) income for the period, net of income tax	<u>63,374</u>	<u>2</u>	<u>(165,893)</u>	<u>(4)</u>	<u>163,657</u>	<u>2</u>	<u>(172,305)</u>	<u>(2)</u>

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SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three-Month Periods Ended June 30				For the Six-Month Periods Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 782,766</u>	<u>18</u>	<u>\$ 1,108,948</u>	<u>24</u>	<u>\$ 1,258,861</u>	<u>16</u>	<u>\$ 2,770,589</u>	<u>27</u>
NET INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 591,274	13	\$ 1,093,893	24	\$ 888,190	11	\$ 2,511,780	25
Non-controlling interests	<u>128,118</u>	<u>3</u>	<u>180,948</u>	<u>4</u>	<u>207,014</u>	<u>3</u>	<u>431,114</u>	<u>4</u>
	<u>\$ 719,392</u>	<u>16</u>	<u>\$ 1,274,841</u>	<u>28</u>	<u>\$ 1,095,204</u>	<u>14</u>	<u>\$ 2,942,894</u>	<u>29</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 652,732	15	\$ 935,178	20	\$ 1,045,838	13	\$ 2,344,897	23
Non-controlling interests	<u>130,034</u>	<u>3</u>	<u>173,770</u>	<u>4</u>	<u>213,023</u>	<u>3</u>	<u>425,692</u>	<u>4</u>
	<u>\$ 782,766</u>	<u>18</u>	<u>\$ 1,108,948</u>	<u>24</u>	<u>\$ 1,258,861</u>	<u>16</u>	<u>\$ 2,770,589</u>	<u>27</u>
EARNINGS PER SHARE (Note 25)								
Basic	<u>\$ 4.93</u>		<u>\$ 9.12</u>		<u>\$ 7.41</u>		<u>\$ 20.94</u>	
Diluted	<u>\$ 4.92</u>		<u>\$ 9.03</u>		<u>\$ 7.35</u>		<u>\$ 20.61</u>	

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

(With Deloitte & Touche review report dated August 3, 2023)

(Concluded)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Shareholders of the Company (Notes 21, 26 and 27)											Non-controlling Interests (Notes 12, 21 and 27)	Total Equity
	Share Capital		Capital Surplus	Retained Earnings			Other Equity		Treasury Share	Total			
	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					
BALANCE, JANUARY 1, 2022	120,137	\$ 1,201,369	\$ 1,610,911	\$ 1,200,307	\$ 180,223	\$ 7,699,611	(\$ 14,086)	(\$ 91,377)	(\$ 31,783)	\$ 11,755,175	\$ 3,441,892	\$ 15,197,067	
Appropriation of 2021 earnings													
Legal reserve	-	-	-	601,513	-	(601,513)	-	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	(3,844,380)	-	-	-	(3,844,380)	-	(3,844,380)	
Special reserve	-	-	-	-	(74,759)	74,759	-	-	-	-	-	-	
The Company's shares held by its subsidiary treated as treasury shares	-	-	-	-	-	-	-	-	(8,387)	(8,387)	(9,822)	(18,209)	
Other changes in capital surplus													
Changes in percentage of ownership interests in subsidiaries	-	-	62,378	-	-	-	-	-	-	62,378	(62,378)	-	
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	1,485	-	(1,485)	-	-	-	-	
Net income for the six-month periods ended June 30, 2022	-	-	-	-	-	2,511,780	-	-	-	2,511,780	431,114	2,942,894	
Other comprehensive income (loss) for the six-month periods ended June 30, 2022	-	-	-	-	-	-	20,678	(187,561)	-	(166,883)	(5,422)	(172,305)	
Total comprehensive income (loss) for the six-month periods ended June 30, 2022	-	-	-	-	-	2,511,780	20,678	(187,561)	-	2,344,897	425,692	2,770,589	
Increase in non- controlling interests	-	-	-	-	-	-	-	-	-	-	244,302	244,302	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(966,108)	(966,108)	
BALANCE, JUNE 30, 2022	<u>120,137</u>	<u>\$ 1,201,369</u>	<u>\$ 1,673,289</u>	<u>\$ 1,801,820</u>	<u>\$ 105,464</u>	<u>\$ 5,841,742</u>	<u>\$ 6,592</u>	<u>(\$ 280,423)</u>	<u>(\$ 40,170)</u>	<u>\$ 10,309,683</u>	<u>\$ 3,073,578</u>	<u>\$ 13,383,261</u>	
BALANCE, JANUARY 1, 2023	120,137	\$ 1,201,369	\$ 1,690,740	\$ 1,801,820	\$ 105,464	\$ 6,961,331	\$ 9,186	(\$ 290,948)	(\$ 56,009)	\$ 11,422,953	\$ 3,342,919	\$ 14,765,872	
Appropriation of 2022 earnings													
Legal reserve	-	-	-	363,285	-	(363,285)	-	-	-	-	-	-	
Special reserve	-	-	-	-	182,761	(182,761)	-	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	(2,643,011)	-	-	-	(2,643,011)	-	(2,643,011)	
The Company's shares held by its subsidiary treated as treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	
Other changes in capital surplus													
Changes in percentage of ownership interests in subsidiaries	-	-	12,910	-	-	-	-	-	-	12,910	(12,910)	-	
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	
Net income for the six-month periods ended June 30, 2023	-	-	-	-	-	888,190	-	-	-	888,190	207,014	1,095,204	
Other comprehensive income (loss) for the six-month periods ended June 30, 2023	-	-	-	-	-	-	(14,607)	172,255	-	157,648	6,009	163,657	
Total comprehensive income (loss) for the six-month periods ended June 30, 2023	-	-	-	-	-	888,190	(14,607)	172,255	-	1,045,838	213,023	1,258,861	
Increase in non- controlling interests	-	-	-	-	-	-	-	-	-	-	66,493	66,493	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(572,287)	(572,287)	
BALANCE, JUNE 30, 2023	<u>120,137</u>	<u>\$ 1,201,369</u>	<u>\$ 1,703,650</u>	<u>\$ 2,165,105</u>	<u>\$ 288,225</u>	<u>\$ 4,660,464</u>	<u>(\$ 5,421)</u>	<u>(\$ 118,693)</u>	<u>(\$ 56,009)</u>	<u>\$ 9,838,690</u>	<u>\$ 3,037,238</u>	<u>\$ 12,875,928</u>	

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

(With Deloitte & Touche review report dated August 3, 2023)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	For the Six-Month Periods Ended June 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,290,864	\$ 3,618,377
Adjustments for:		
Depreciation expense	185,682	174,253
Amortization expense	30,500	22,293
Expected credit loss recognized (reversed) on trade receivables	1,237	(1,029)
Net loss (gain) on fair value changes of financial assets designated as at fair value through profit or loss	(30,502)	13,936
Finance costs	1,674	2,088
Interest income	(78,787)	(43,101)
Dividend income	(14,025)	(31,213)
Compensation costs of share-based payments	7,580	-
Loss on disposal of property, plant and equipment	18	2
Write-down of inventories	15,124	35,991
Impairment loss on prepayment for purchase	63,370	-
Unrealized net gain on foreign currency exchange	(966)	(154,750)
Gain on modification of lease agreements	-	(89)
Changes in operating assets and liabilities		
Notes receivable and trade receivables	(281,315)	348,294
Receivables from related parties	1,469	(168)
Other receivables	11,148	(8,959)
Inventories	1,390,624	(2,643,403)
Prepayments	(11,131)	15,568
Other current assets	(2,486)	(205)
Notes payable and trade payables	1,085,706	607,512
Other payables	(312,493)	333,108
Other payables to related parties	(64)	(53)
Other current liabilities	(41,801)	(16,424)
Net defined benefit liabilities	(1,127)	(3,021)
Accrued profit sharing bonus to employees' compensation and remuneration of directors	(254,719)	(219,486)
Cash generated from operations	3,055,580	2,049,521
Interest received	73,964	36,004
Interest paid	(104)	(388)
Income tax paid	(828,735)	(1,247,512)
Net cash generated from operating activities	<u>2,300,705</u>	<u>837,625</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(72,348)	(176,129)
Disposal of financial assets at fair value through other comprehensive income	-	58,125

(Continued)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	For the Six-Month Periods Ended June 30	
	2023	2022
Purchase of financial assets measured at cost	(\$ 2,000,069)	(\$ 1,265,964)
Proceeds from the return of principal of financial assets at amortized cost	3,166,611	4,331,714
Acquisition of financial assets at fair value through profit or loss	(124,330)	(471,447)
Disposal of financial assets at fair value through profit or loss	213,741	179,714
Acquisition of property, plant and equipment	(207,755)	(536,771)
Proceeds from disposal of property, plant and equipment	-	8
Increase in refundable deposits	(1,506)	(1,880)
Decrease in refundable deposits	61,937	1,144
Acquisition of intangible assets	(45,923)	(19,663)
Acquisition of investment properties	-	(67,996)
Dividends received	<u>14,025</u>	<u>31,213</u>
Net cash generated from investing activities	<u>1,004,383</u>	<u>2,062,068</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	54,097	529,555
Repayments of short-term borrowings	(72,142)	(555,630)
Increase in guarantee deposits	4,615	107,539
Decrease in guarantee deposits	(63,857)	(81,076)
Repayment of the principal portion of lease liabilities	(26,380)	(25,084)
Payments for buy back of treasury shares	-	(18,209)
Dividends paid to non-controlling interests	(395,711)	(791,422)
Increase in non-controlling interests	58,000	-
Employee compensation issued in the form of stock that are not vested	<u>913</u>	<u>1,278</u>
Net cash used in financing activities	(<u>440,465</u>)	(<u>833,049</u>)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	(<u>3,721</u>)	<u>149,619</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,860,902	2,216,263
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>5,661,717</u>	<u>7,930,508</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 8,522,619</u>	<u>\$ 10,146,771</u>

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

(With Deloitte & Touche review report dated August 3, 2023)

(Concluded)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sitronix Technology Corporation (the “Company”) was incorporated in Taipei City, Taiwan (ROC) in July 1992 and commenced operations in the same year. The principal place of business is located in Tai Yuen Hi-Tech Industrial Park, Hsinchu County. The Company operates principally as a designer, manufacturer and supplier of integrated circuits (ICs) and memory chips and focuses on display driver ICs (DDIs) for entry-level mobile phones, industrial displays and automotive systems.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since December 25, 2003.

In order to improve the Company’s overall operating performance and increase market competitiveness, the Company reorganized the Group’s structure, carried out a professional division of labor and coordinated the allocation of the Group’s resources. On March 18, 2021, according to the Business Mergers And Acquisitions Act and the Company Act, the Company’s board of directors resolved to spin off the automotive business division to the Company’s subsidiary, Forcelead Technology Corp., which issued new ordinary shares as consideration for the transfer. The spin-off completion date is June 1, 2021.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on August 3, 2023.

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

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

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback	January 1, 2024(Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023

(Continued)

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17-Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024
Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”	Note 3

(Concluded)

Note1 : Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note2 : A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note3 : The requirement that the Group applies the exception and the requirement to disclose that fact is applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are applied for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosure required for a complete set of annual consolidated financial statements prepared under the IFRSs.

b. Basis of preparation

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

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

See Note 12 and Tables 6 and 7 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2022.

1) Defined benefit – retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

As developing critical accounting estimates, the Group considers the possible impact of the recent development of the COVID-19 and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis.

For the summary of critical accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2022.

6. CASH AND CASH EQUIVALENTS

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Bank deposits	\$ 6,318,447	\$ 4,307,822	\$ 7,829,115
Cash on hand	294	291	276
Cash equivalents	<u>2,203,878</u>	<u>1,353,604</u>	<u>2,317,380</u>
	<u>\$ 8,522,619</u>	<u>\$ 5,661,717</u>	<u>\$ 10,146,771</u>

The market rate intervals of bank deposits and cash equivalents at the end of the reporting period were as follows:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Bank deposits	0.001%~5.10%	0.001%~4.20%	0.001%~1.66%
Cash equivalents	1.050%~4.90%	0.58%~4.20%	0.35%~2.60%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Financial assets at FVTPL - current</u>			
Mandatorily measured at FVTPL			
Derivative financial assets			
Foreign exchange forward contracts and foreign exchange swap contracts	\$ 45,311	\$ 49,170	\$ 92,840
Equity-linked notes	15,665	15,355	14,542
Credit linked notes - linked with Convertible bonds	142,847	22,774	10,876
Non-derivative financial assets			
Domestic mutual fund investments	203,518	190,223	573,552
Convertible bonds	91,794	104,835	95,853
Exchangeable bonds	41,800	40,080	41,200
Domestic listed shares	2,372	2,197	2,223
	<u>\$ 543,307</u>	<u>\$ 424,634</u>	<u>\$ 831,086</u>

(Continued)

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
<u>Financial assets at FVTPL - non-current</u>			
Mandatorily measured at FVTPL			
Derivative financial assets			
Credit linked notes - linked with			
Convertible bonds	\$ 200,260	\$ 400,431	\$ 403,683
Non-derivative financial assets			
Limited partnership	59,163	34,768	34,280
	<u>\$ 259,423</u>	<u>\$ 435,199</u>	<u>\$ 437,963</u>

Financial liabilities at FVTPL - current

Mandatorily measured at FVTPL			
Derivative financial liabilities			
Foreign exchange forward contracts and			
foreign exchange swap contracts	\$ 39,531	\$ 37,725	\$ 76,925
			(Concluded)

At the end of the reporting period, outstanding foreign exchange forward contracts and foreign exchange swaps not under hedge accounting were as follows:

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount</u> <u>(In Thousands)</u>
<u>June 30, 2023</u>			
Sell forward exchange contracts	USD/NTD	2023.07.17-2024.04.17	US\$35,000/NT\$1,050,369
Buy forward exchange contracts	NTD/USD	2023.07.13-2024.04.15	NT\$1,044,589/US\$35,000
<u>December 31, 2022</u>			
Sell forward exchange contracts	USD/NTD	2023.01.17-2023.09.26	US\$44,000/NT\$1,322,023
Buy forward exchange contracts	NTD/USD	2023.01.13-2023.09.28	NT\$1,310,577/US\$44,000
<u>June 30, 2022</u>			
Sell forward exchange contracts	USD/NTD	2022.07.01-2023.06.20	US\$53,000/NT\$1,498,235
Buy forward exchange contracts	NTD/USD	2022.07.01-2023.06.16	NT\$1,452,600/US\$52,000

The Group entered into foreign exchange forward contracts and foreign exchange swaps to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
<u>Current</u>			
Investments in equity instruments at FVTOCI	\$ 545,578	\$ 474,029	\$ 644,736
Investments in debt instruments at FVTOCI	198,172	90,177	-
	<u>\$ 743,750</u>	<u>\$ 564,206</u>	<u>\$ 644,736</u>
<u>Non-current</u>			
Investments in equity instruments at FVTOCI	\$ 764,378	\$ 640,322	\$ 618,897
Investments in debt instruments at FVTOCI	260,796	309,780	341,436
	<u>\$1,025,174</u>	<u>\$ 950,102</u>	<u>\$ 960,333</u>

a. Investments in equity instruments at FVTOCI

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
<u>Current</u>			
Domestic investments			
Listed shares (1)	\$ 545,578	\$ 474,029	\$ 596,903
Foreign investments			
Listed shares (1)	-	-	47,833
	<u>\$ 545,578</u>	<u>\$ 474,029</u>	<u>\$ 644,736</u>
<u>Non-current</u>			
Domestic investments			
Unlisted equity investments (1)	\$ 221,653	\$ 193,708	\$ 179,775
Foreign investments			
Unlisted equity investments (1)	542,725	446,614	439,122
	<u>\$ 764,378</u>	<u>\$ 640,322</u>	<u>\$ 618,897</u>

- 1) These investments in equity instruments are not held for trading. Instead, they are held for strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for purposes.
- 2) For the six-month periods ended June 30, 2022, in order to manage credit concentration risk, the Group sold its preference shares and ordinary shares of domestic listed companies in the amounts of \$58,125 thousand; and transferred a gain of \$1,485 thousand from other equity to retained earnings.

b. Investments in debt instruments at FVTOCI

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Current</u>			
Foreign corporate bonds	\$ 198,172	\$ 90,177	\$ -
<u>Non-current</u>			
Foreign corporate bonds	\$ 211,010	\$ 309,780	\$ 341,436
Domestic corporate bonds	49,786	-	-
	<u>\$ 260,796</u>	<u>\$ 309,780</u>	<u>\$ 341,436</u>

- 1) In 2020, the Group purchased foreign corporate bonds for US\$5,822 thousand with a coupon rate of 3.375%-5.65%.
- 2) In 2022, the Group purchased foreign corporate bonds for US\$8,012 thousand with a coupon rate of 2.75%-4.125%.
- 3) In 2023, the Group purchased domestic corporate bonds for \$49,999 thousand with a coupon rate of 1.537%.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Current</u>			
Domestic investments			
Pledged fixed deposits (a)	\$ 825,147	\$ 757,789	\$ 739,770
Time deposits with original maturities of more than 3 months (b)	425,200	1,659,100	173,200
	<u>\$ 1,250,347</u>	<u>\$ 2,416,889</u>	<u>\$ 912,970</u>
<u>Non-current</u>			
Foreign investments			
Foreign corporate bonds (c)	\$ 31,362	\$ 30,983	\$ 30,034

- a. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.
- b. The interest rates for time deposits with original maturities of more than 3 months ranged from 0.395%-1.565%, 0.27%-1.60% and 0.10%-1.03% per annum as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.
- c. In August 2016, the Group purchased the priority unsecured US dollar debt issued by Formosa Group (Cayman) Limited at US\$1,028 thousand, with an expiry date of April 22, 2025 and the coupon rate of 3.375%.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 11	\$ 79	\$ 79
Less: Allowance for impairment loss	-	-	-
	<u>\$ 11</u>	<u>\$ 79</u>	<u>\$ 79</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,538,250	\$ 1,247,779	\$ 1,653,093
Less: Allowance for impairment loss	(22,550)	(21,338)	(22,779)
	<u>\$ 1,515,700</u>	<u>\$ 1,226,441</u>	<u>\$ 1,630,314</u>
<u>Other receivables</u>			
Income tax refund receivable	\$ 62,885	\$ 73,876	\$ 55,868
Interest receivables	21,771	16,752	19,077
Others	8,053	8,209	22,215
	<u>\$ 92,709</u>	<u>\$ 98,837</u>	<u>\$ 97,160</u>

The credit period of sales of goods was 5-135 days. No interest was charged on trade receivables. The Group adopted a policy of obtaining advance payment or sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own historical trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Group annually.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of trade receivables based on the Group's provision matrix:

June 30, 2023

	<u>Not Past Due</u>	<u>Up to 60 Days</u>	<u>61 to 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Gross carrying amount	\$ 1,518,925	\$ 7,016	\$ 6,930	\$ 5,379	\$ 1,538,250
Loss allowance (Lifetime ECLs)	(13,881)	(1,644)	(1,646)	(5,379)	(22,550)
Amortized cost	<u>\$ 1,505,044</u>	<u>\$ 5,372</u>	<u>\$ 5,284</u>	<u>\$ -</u>	<u>\$ 1,515,700</u>

December 31, 2022

	<u>Not Past Due</u>	<u>Up to 60 Days</u>	<u>61 to 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Gross carrying amount	\$ 1,241,830	\$ 1,313	\$ 2	\$ 4,634	\$ 1,247,779
Loss allowance (Lifetime ECLs)	(15,389)	(1,313)	(2)	(4,634)	(21,338)
Amortized cost	<u>\$ 1,226,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,226,441</u>

June 30, 2022

	<u>Not Past Due</u>	<u>Up to 60 Days</u>	<u>61 to 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Gross carrying amount	\$ 1,644,716	\$ 1,633	\$ 862	\$ 5,882	\$ 1,653,093
Loss allowance (Lifetime ECLs)	(14,603)	(1,488)	(806)	(5,882)	(22,779)
Amortized cost	<u>\$ 1,630,113</u>	<u>\$ 145</u>	<u>\$ 56</u>	<u>\$ -</u>	<u>\$ 1,630,314</u>

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

	<u>For the six-month periods ended June 30, 2023</u>	<u>For the six-month periods ended June 30, 2022</u>
Balance at January 1	\$ 21,338	\$ 23,789
Provision (Reversal) for expected credit loss	1,237	(1,029)
Change in exchange rates or others	(25)	19
Balance at June 30	<u>\$ 22,550</u>	<u>\$ 22,779</u>

Compared with January 1, 2023, the total carrying amount of trade receivables as of June 30, 2023 increased by a net amount of \$290,471 thousand, and the loss allowance increased by \$1,212 thousand; the total carrying amount of trade receivables as of June 30, 2022 decreased by a net amount of \$322,091 thousand, and the loss allowance decreased by \$1,010 thousand.

11. INVENTORIES

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Finished goods	\$ 990,853	\$ 1,452,658	\$ 1,749,794
Work in progress	1,656,688	2,356,694	2,807,850
Raw materials	343,212	585,369	495,873
Merchandise	2,842	4,622	4,463
	<u>\$ 2,993,595</u>	<u>\$ 4,399,343</u>	<u>\$ 5,057,980</u>

For the three-month and six-month periods ended June 30, 2023 and 2022, the cost of inventories recognized as cost of goods sold were \$2,860,285 thousand, \$2,137,849 thousand, \$5,376,301 thousand and \$4,720,116 thousand, respectively.

For the three-month and six-month periods ended June 30, 2023 and 2022, the cost of goods sold includes inventory write-downs(reversal) of (\$29,304) thousand, \$21,186 thousand, \$15,124 thousand and \$35,991 thousand, respectively.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Main Business	Proportion of Ownership (%)		
			June 30, 2023	December 31, 2022	June 30, 2022
Sitronix Technology Corporation	Sitronix Investment Corp.	Investment	100.00	100.00	100.00
	Sensortek Technology Corp.	R&D, design and sales of sensor integrated circuit products	46.06	46.06	46.06
	INFSitronix Technology Corp.	Comprehensive line of Power supervisor IC design	58.42	58.42	58.42
	mCore Technology Corp.	Providing solutions for consumer display and voice/audio related applications.	90.73	90.73	90.73
	Forcelead Technology Corp.	R&D and sale of multi-functional integrated automotive display driver ICs	68.76	70.76	72.88
	Sync-Tech System Corp.	Design, manufacturing and maintenance of semiconductor consumables and testing equipment	42.86	42.86	45.73
	Sitronix Holding International Ltd. (Holding Ltd.)	Investment	100.00	100.00	100.00
	HeFei ezGreen Co., Ltd.	Design, sales and technical services of Supplier management software development	100.00	100.00	100.00
	HeFei Sitronix Co., Ltd.	R&D, design, sales and technical services of integrated circuits and system hardware and software	90.00	90.00	90.00
	ezGreen Inc.	Software design and electronic information supply services	100.00	100.00	100.00
	Sitronix Technology (Shenzhen) Co., Ltd.	Computer software and hardware development, sales and after-sales service business and related technical consulting services	100.00	100.00	100.00
	HeFei Sitronix Technology Co., Ltd.	R&D, sale and provision of after-sales services and related technical consultancy services of integrated circuits and system hardware and software	100.00	100.00	100.00
Sitronix Investment Corp.	Sensortek Technology Corp.	R&D, design and sales of sensor integrated circuit products	-	-	-
	INFSitronix Technology Corp.	Comprehensive line of Power supervisor IC design	-	-	-

The financial statements as of and for the six months ended June 30, 2023 and 2022 of above subsidiaries, except for Sensortek Technology Corp. and Forcelead Technology Corp., were not reviewed.

As of June 30, 2023, December 31, 2022 and June 30, 2022 the Group's shareholding ratio of Sensortek Technology Corp. was 46.06%. Since Sensortek Technology Corp. is a TPEX listed company in the Republic of China, the remaining 53.94% of the shares held are widely dispersed. After considering the absolute number, relative size and distribution of shareholding held by the other shareholders, the Group was judged to have the substantive ability to dominate the relevant activities of Sensortek Technology Corp., therefore, it is classified as a subsidiary.

As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group's shareholding ratio of Sync-Tech System Corp. was 42.86%, 42.86% and 45.73%, respectively and was the largest single shareholder of the latter. After considering the absolute number, relative size and distribution of shareholding held by the other shareholders, the Group was judged to have the substantive ability to dominate the relevant activities of Sync-Tech System Corp. therefore, it is classified as a subsidiary.

Refer to Note 27 for the acquisitions and disposals of investments in subsidiaries.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		June 30, 2023	December 31, 2022	June 30, 2022
Sensortek Technology Corp.	Taiwan	53.94 %	53.94 %	53.94 %
INFSitronix Technology Corp.	Taiwan	41.58 %	41.58 %	41.58 %
Forcelead Technology Corp.	Taiwan	31.24 %	29.24 %	27.12 %
Sync-Tech System Corp.	Taiwan	57.14 %	57.14 %	54.27 %

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests						
	For the three-month periods ended June 30		For the six-month periods ended June 30		Accumulated Non-controlling Interests		
	2023	2022	2023	2022	June 30, 2023	December 31, 2022	June 30, 2022
Sensortek Technology Corp.	\$ 84,643	\$ 135,093	\$ 141,691	\$ 318,011	\$ 2,106,064	\$ 2,352,651	\$ 2,235,536
INFSitronix Technology Corp.	(2,088)	(4,566)	(6,658)	(2,481)	41,433	48,092	54,254
Forcelead Technology Corp.	30,247	26,708	54,647	65,921	405,764	460,157	362,191
Sync-Tech System Corp.	13,062	22,120	14,016	41,859	425,322	423,804	366,349
Others	2,254	1,593	3,318	7,804	58,655	58,215	55,248
Total	\$ 128,118	\$ 180,948	\$ 207,014	\$ 431,114	\$ 3,037,238	\$ 3,342,919	\$ 3,073,578

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations:

	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 7,021,966	\$ 6,994,769	\$ 8,198,674
Non-current assets	1,995,775	2,106,299	2,142,534
Current liabilities	(2,558,752)	(1,921,690)	(3,728,481)
Non-current liabilities	(264,640)	(273,354)	(241,160)
Equity	\$ 6,194,349	\$ 6,906,024	\$ 6,371,567
Equity attributable to:			
Owners of the Company	\$ 3,136,683	\$ 3,560,428	\$ 3,306,953
Non-controlling interests of subsidiaries	3,057,666	3,345,596	3,064,614
	\$ 6,194,349	\$ 6,906,024	\$ 6,371,567

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Revenue	\$ 1,918,306	\$ 1,903,917	\$ 3,531,563	\$ 4,304,225
Net income	\$ 272,590	\$ 438,855	\$ 452,115	\$ 1,056,356
Other comprehensive income (loss)	4,692	(46,476)	48,229	(55,419)
Total comprehensive income	\$ 277,282	\$ 392,379	\$ 500,344	\$ 1,000,937
Profit attributable to:				
Owners of the Company	\$ 146,947	\$ 259,689	\$ 248,860	\$ 633,445
Non-controlling interests of the subsidiaries	125,643	179,166	203,255	422,911
	\$ 272,590	\$ 438,855	\$ 452,115	\$ 1,056,356
Total comprehensive income attributable to:				
Owners of the Company	\$ 149,071	\$ 238,243	\$ 271,056	\$ 607,940
Non-controlling interests of the subsidiaries	128,211	154,136	229,288	392,997
	\$ 277,282	\$ 392,379	\$ 500,344	\$ 1,000,937
Net cash inflow (outflow) from:				
Operating activities			\$ 1,058,322	\$ 387,544
Investing activities			407,509	1,105,531
Financing activities			(696,425)	(1,549,992)
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies			5,779	43,967
Net cash inflow (outflow)			\$ 775,185	(\$ 12,950)
Dividends paid to non-controlling interests			\$ 395,711	\$ 791,422

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery Equipment	Test Equipment	Office Equipment	Property Under Construction	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 269,162	\$ 939,233	\$ 233,840	\$ 1,023,980	\$ 28,188	\$ -	\$ 2,494,403
Additions	29,561	34,439	31,916	200,092	2,061	212,116	510,185
Disposals	-	(2,378)	(2,772)	(158,190)	(127)	-	(163,467)
Effect of foreign currency exchange differences	-	1,641	50	766	116	-	2,573
Balance at June 30, 2022	\$ 298,723	\$ 972,935	\$ 263,034	\$ 1,066,648	\$ 30,238	\$ 212,116	\$ 2,843,694
<u>Accumulated depreciation</u>							
Balance at January 1, 2022	\$ -	\$ 186,484	\$ 118,574	\$ 716,698	\$ 12,097	\$ -	\$ 1,033,853
Additions	-	15,568	18,798	108,040	1,885	-	144,291
Disposals	-	(2,378)	(2,762)	(158,190)	(127)	-	(163,457)
Effect of foreign currency exchange differences	-	210	33	394	62	-	699
Balance at June 30, 2022	\$ -	\$ 199,884	\$ 134,643	\$ 666,942	\$ 13,917	\$ -	\$ 1,015,386

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Test Equipment	Office Equipment	Property Under Construction	Total
Carrying amount at January 1, 2022	\$ 269,162	\$ 752,749	\$ 115,266	\$ 307,282	\$ 16,091	\$ -	\$ 1,460,550
Carrying amount at June 30, 2022	\$ 298,723	\$ 773,051	\$ 128,391	\$ 399,706	\$ 16,321	\$ 212,116	\$ 1,828,308

(Concluded)

	Freehold Land	Buildings	Machinery Equipment	Test Equipment	Office Equipment	Property Under Construction	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 298,723	\$ 977,129	\$ 284,661	\$ 905,299	\$ 30,831	\$ 210,635	\$ 2,707,278
Additions	-	12,436	41,440	108,841	967	-	163,684
Disposals	-	(1,010)	(4,329)	(69,290)	-	-	(74,629)
Reclassification	22,903	69,072	-	-	-	-	91,975
Effect of foreign currency exchange differences	-	(2,143)	(109)	(1,889)	(153)	(6,021)	(10,315)
Balance at June 30, 2023	\$ 321,626	\$ 1,055,484	\$ 321,663	\$ 942,961	\$ 31,645	\$ 204,614	\$ 2,877,993
<u>Accumulated depreciation</u>							
Balance at January 1, 2023	\$ -	\$ 216,018	\$ 154,136	\$ 519,443	\$ 15,843	\$ -	\$ 905,440
Additions	-	17,355	20,794	115,300	2,018	-	155,467
Disposals	-	(1,010)	(4,311)	(69,290)	-	-	(74,611)
Reclassification	-	8,568	-	-	-	-	8,568
Effect of foreign currency exchange differences	-	(489)	(70)	(1,596)	(104)	-	(2,259)
Balance at June 30, 2023	\$ -	\$ 240,442	\$ 170,549	\$ 563,857	\$ 17,757	\$ -	\$ 992,605
Carrying amount at January 1, 2023	\$ 298,723	\$ 761,111	\$ 130,525	\$ 385,856	\$ 14,988	\$ 210,635	\$ 1,801,838
Carrying amount at June 30, 2023	\$ 321,626	\$ 815,042	\$ 151,114	\$ 379,104	\$ 13,888	\$ 204,614	\$ 1,885,388

The Group's property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	40-51 years
Renovation construction / Lease improvement	3-15 years
Machinery equipment	3-6 years
Test equipment	1-6 years
Office equipment	3-6 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Carrying amount</u>			
Buildings	\$ 101,075	\$ 122,161	\$ 141,579
Land	53,526	-	-
Office equipment	8,175	6,666	6,727
Machinery equipment	289	337	386
	<u>\$ 163,065</u>	<u>\$ 129,164</u>	<u>\$ 148,692</u>

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Additions to right-of-use assets			<u>\$ 59,857</u>	<u>\$ 15,559</u>
Depreciation charge for right-of-use assets				
Buildings	\$ 10,486	\$ 10,776	\$ 20,994	\$ 21,682
Land	684	-	1,139	-
Office equipment	1,627	1,460	3,223	3,020
Machinery equipment	24	24	48	48
	<u>\$ 12,821</u>	<u>\$ 12,260</u>	<u>\$ 25,404</u>	<u>\$ 24,750</u>

Except for the addition and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Group's right-of-use assets for the six-month periods ended June 30, 2023 and 2022.

b. Lease liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Carrying amount</u>			
Current	<u>\$ 47,157</u>	<u>\$ 45,301</u>	<u>\$ 44,625</u>
Non-current	<u>\$ 120,132</u>	<u>\$ 87,613</u>	<u>\$ 107,100</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Buildings	1.250%~4.750%	1.250%~4.750%	1.250%~4.750%
Land	1.250%	-	-
Office equipment	1.345%~2.120%	1.250%~1.920%	1.250%~1.895%
Machinery equipment	1.250%	1.250%	1.250%

c. Material lease activities and terms

The Group leases various assets including land, buildings, office equipment and machinery equipment with lease terms between 2-20 years. The leased land is used for constructing a factory building with lease contracts adjusted payment every 2 years on the announced land value. The leased building includes factory and offices, and the leased office equipment includes rental cars. The Group does not have bargain purchase or renewal options to acquire or renew the leases when they expire.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 15.

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	\$ 1,330	\$ 398	\$ 2,238	\$ 750
Expenses relating to low-value asset leases	\$ 44	\$ 9	\$ 88	\$ 18
Total cash outflow for leases			\$ 28,706	\$ 25,852

The Group's leases of certain parking spaces qualify as short-term leases and leases of machinery qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 210,648	\$ 508,152	\$ 718,800
Additions	34,618	33,378	67,996
Balance at June 30, 2022	\$ 245,266	\$ 541,530	\$ 786,796
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ -	\$ 45,702	\$ 45,702
Additions	-	5,212	5,212
Balance at June 30, 2022	\$ -	\$ 50,914	\$ 50,914
Carrying amount at January 1, 2022	\$ 210,648	\$ 462,450	\$ 673,098
Carrying amount at June 30, 2022	\$ 245,266	\$ 490,616	\$ 735,882
<u>Cost</u>			
Balance at January 1, 2023	\$ 245,266	\$ 541,530	\$ 786,796
Reclassification	(22,903)	(69,072)	(91,975)
Balance at June 30, 2023	\$ 222,363	\$ 472,458	\$ 694,821

(Continued)

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 56,290	\$ 56,290
Additions	-	4,811	4,811
Reclassification	-	(8,568)	(8,568)
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ 52,533</u>	<u>\$ 52,533</u>
Carrying amount at January 1, 2023	<u>\$ 245,266</u>	<u>\$ 485,240</u>	<u>\$ 730,506</u>
Carrying amount at June 30, 2023	<u>\$ 222,363</u>	<u>\$ 419,925</u>	<u>\$ 642,288</u>
			(Concluded)

Except for the situation that Sync-Tech System Corp. has not yet leased out its investment properties, the above-mentioned investment properties were leased out for 1 to 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The future minimum lease payments of operating lease commitments were as follows:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Year 1	\$ 12,756	\$ 17,095	\$ 19,074
Years 1~5	20,229	23,600	30,535
	<u>\$ 32,985</u>	<u>\$ 40,695</u>	<u>\$ 49,609</u>

Investment properties are depreciated using the straight-line method over their estimated useful lives for 50 to 51 years.

The determination of fair values of the Group's investment properties was performed by independent qualified professional vaulters of the China Real Estate Appraising Firm using Level 3 inputs. The evaluation is based on the weighted average of the income method and the market comparison method. The significant unobservable input used include the discount rate. Management of the Group had assessed and determined that, compared with December 31, 2022, there were no significant change in fair value of June 30, 2023.

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Fair value	<u>\$ 904,343</u>	<u>\$ 904,343</u>	<u>\$ 892,258</u>

All of the Group's investment properties were held under freehold interests.

16. INTANGIBLE ASSETS

	<u>Royalty</u>	<u>Computer Software</u>	<u>Specialized Technology</u>	<u>Total</u>
<u>Cost</u>				
Balance at January 1, 2022	\$ 136,219	\$ 138,764	\$ -	\$ 274,983
Additions	1,182	10,480	-	11,662
Disposals	(2,447)	(5,857)	-	(8,304)
Effect of foreign currency exchange differences	-	61	-	61
Balance at June 30, 2022	<u>\$ 134,954</u>	<u>\$ 143,448</u>	<u>\$ -</u>	<u>\$ 278,402</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2022	\$ 123,260	\$ 103,149	\$ -	\$ 226,409
Amortization expenses	6,411	15,882	-	22,293
Disposals	(2,447)	(5,857)	-	(8,304)
Effect of foreign currency exchange differences	-	29	-	29
Balance at June 30, 2022	<u>\$ 127,224</u>	<u>\$ 113,203</u>	<u>\$ -</u>	<u>\$ 240,427</u>
Carrying amount at January 1, 2022	<u>\$ 12,959</u>	<u>\$ 35,615</u>	<u>\$ -</u>	<u>\$ 48,574</u>
Carrying amount at June 30, 2022	<u>\$ 7,730</u>	<u>\$ 30,245</u>	<u>\$ -</u>	<u>\$ 37,975</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 140,911	\$ 201,792	\$ 500	\$ 343,203
Additions	5,385	39,751	-	45,136
Disposals	(1,651)	(8,424)	-	(10,075)
Effect of foreign currency exchange differences	-	(159)	-	(159)
Balance at June 30, 2023	<u>\$ 144,645</u>	<u>\$ 232,960</u>	<u>\$ 500</u>	<u>\$ 378,105</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ 132,356	\$ 133,928	\$ 21	\$ 266,305
Amortization expenses	4,224	26,151	125	30,500
Disposals	(1,651)	(8,424)	-	(10,075)
Effect of foreign currency exchange differences	-	(75)	-	(75)
Balance at June 30, 2023	<u>\$ 134,929</u>	<u>\$ 151,580</u>	<u>\$ 146</u>	<u>\$ 286,655</u>
Carrying amount at January 1, 2023	<u>\$ 8,555</u>	<u>\$ 67,864</u>	<u>\$ 479</u>	<u>\$ 76,898</u>
Carrying amount at June 30, 2023	<u>\$ 9,716</u>	<u>\$ 81,380</u>	<u>\$ 354</u>	<u>\$ 91,450</u>

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

Royalty	2-8 years
Computer software	2-10 years
Specialized technology	2 years

17. OTHER ASSETS

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
<u>Other current assets</u>			
Provisional payments	\$ 6,709	\$ 3,143	\$ 5,716
Others	5,718	6,798	5,375
	<u>\$ 12,427</u>	<u>\$ 9,941</u>	<u>\$ 11,091</u>
 <u>Prepayments</u>			
Input tax and offset against business tax	\$ 88,937	\$ 50,796	\$ 117,091
Prepayments	26,682	34,085	49,393
Prepayment for purchase (b)	8,936	8,291	49,016
Prepaid probe cards	23,041	42,245	24,313
Others	6,027	6,465	5,037
	<u>\$ 153,623</u>	<u>\$ 141,882</u>	<u>\$ 244,850</u>
 <u>Other non-current assets</u>			
Refundable deposits (a)	\$ 592,988	\$ 651,206	\$ 691,941
Long-term prepayment for purchase (b)	111,271	179,402	370,169
Prepayments for equipment	37,520	16,412	23,341
	<u>\$ 741,779</u>	<u>\$ 847,020</u>	<u>\$ 1,085,451</u>

- a. Please refer to Note 33 for details of the contract terms related to the long-term capacity guarantee agreements.
- b. The Group has signed long-term purchase agreements with fabs, and the prepayment has been made in advance according to the agreements, please refer to Note 33 for the details.

18. SHORT-TERM BORROWINGS

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
<u>unsecured borrowings</u>			
Bank loans	\$ -	\$ 18,119	\$ 29,720

The range of weighted average effective interest rates on bank loans was 4.97% and 1.18% as of December 31, 2022 and June 30, 2022, respectively.

19. OTHER LIABILITIES

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 1,173,621	\$ 1,464,877	\$ 1,732,765
Payables for research	33,717	40,588	35,749
Payables for equipment	28,687	51,691	44,867
Others	281,880	296,336	324,576
	<u>\$ 1,517,905</u>	<u>\$ 1,853,492</u>	<u>\$ 2,137,957</u>
Other current liabilities			
Contract liabilities	\$ 85,236	\$ 135,268	\$ 63,346
Temporary receipts	15,186	5,967	5,820
Others	11,632	12,620	10,711
	<u>\$ 112,054</u>	<u>\$ 153,855</u>	<u>\$ 79,877</u>

20. RETIREMENT BENEFIT PLANS

Defined benefit plan expenses for the three-month and six-month periods ended June 30, 2023 and 2022, were calculated based on actuarial assumptions and pension cost rates as at December 31, 2022 and 2021; the above amounts were calculated at \$98 thousand, \$65 thousand, \$196 thousand and \$130 thousand, respectively.

21. EQUITY

a. Share capital

	June 30, 2023	December 31, 2022	June 30, 2022
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Share capital	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>120,137</u>	<u>120,137</u>	<u>120,137</u>
Shares issued	<u>\$ 1,201,369</u>	<u>\$ 1,201,369</u>	<u>\$ 1,201,369</u>

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

The authorized number of shares include 20,000 thousand shares reserved for the exercise of employee stock options.

b. Capital surplus

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 401,995	\$ 401,995	\$ 401,995
Conversion of bonds	335,041	335,041	335,041
Treasury share transactions	8,114	8,114	1,658
<u>May be used to offset a deficit only</u>			
Changes in percentage of ownership interests in subsidiaries (2)	<u>958,500</u>	<u>945,590</u>	<u>934,595</u>
	<u>\$ 1,703,650</u>	<u>\$ 1,690,740</u>	<u>\$ 1,673,289</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set in the Company's Articles of Incorporation (the "Articles"), the board of directors is authorized to adopt a special resolution to distribute all or part of the dividends and bonuses in cash, and a report of such distribution should be submitted in the latest shareholders' meeting.

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be distributed in the following order:

- 1) Utilized for paying taxes.
- 2) Offsetting losses of previous years.
- 3) Setting aside as a legal reserve of 10% of the remaining profit (legal reserve that has reached the company's paid-in capital is not subject to this condition).
- 4) Setting aside or reversing a special reserve in accordance with the laws and regulations.
- 5) Any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 23(h).

The distribution of dividends to shareholders of the Company can be made in cash or shares, but the proportion of cash dividends distributed should not be less than 10% of the total dividends distributed. The dividends policy is dependent on the Company's current and future investment environment, capital needs, domestic and international competition and capital budget, etc., taking

into account the interests of shareholders, balance of dividends and long-term financial planning of the Company, the board of directors plans to distribute the case to the shareholders' meeting.

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

The appropriations of earnings for 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Legal reserve	\$ 363,285	\$ 601,513
Appropriations (Reversals) special reserve	<u>\$ 182,761</u>	<u>(\$ 74,759)</u>
Cash dividends	<u>\$ 2,643,011</u>	<u>\$ 3,844,380</u>
Cash dividends per share (NT\$)	<u>\$ 22</u>	<u>\$ 32</u>

The above appropriations for cash dividends were resolved by the Company's board of directors on March 16, 2023 and March 17, 2022, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on June 21, 2023 and June 23, 2022, respectively.

d. Special reserve

	For the six-month periods ended June 30	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 105,464	\$ 180,223
Appropriations (Reversals) in respect of Debits to other equity items	<u>182,761</u>	<u>(74,759)</u>
Balance at June 30	<u>\$ 288,225</u>	<u>\$ 105,464</u>

e. Other equity items

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

	For the six-month periods ended June 30	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 9,186	(\$ 14,086)
Exchange differences on translating the financial statements of foreign operations	<u>(14,607)</u>	<u>20,678</u>
Balance at June 30	<u>(\$ 5,421)</u>	<u>\$ 6,592</u>

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

	For the six-month periods ended June 30	
	2023	2022
Balance at January 1	(\$ 290,948)	(\$ 91,377)
Recognized for the period		
Unrealized (loss) gain - debt instruments	4,403	(2,682)
Unrealized (loss) gain - equity instruments	167,852	(184,879)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(1,485)
Balance at June 30	<u>(\$ 118,693)</u>	<u>(\$ 280,423)</u>

f. Non-controlling interests

	For the six-month periods ended June 30	
	2023	2022
Balance at January 1	\$ 3,342,919	\$ 3,441,892
Share attributable to non-controlling interests:		
Share in profit for the period	207,014	431,114
Exchange difference on translating the financial statements of foreign operations	(1,394)	818
Financial assets at FVTOCI	7,403	(6,240)
The Company's shares held by its subsidiaries treated as treasury shares	-	(9,822)
Cash dividends distributed by subsidiaries	(572,287)	(966,108)
Changes in non-controlling interests in the current period (Note 27)	53,583	181,924
Balance at June 30	<u>\$ 3,037,238</u>	<u>\$ 3,073,578</u>

Please refer to Note 27 for more details on non-controlling interests transactions.

g. Treasury shares

The Company's shares held by its subsidiary	Number of Shares
Number of shares at January 1 and June 30, 2023	<u>606,000</u>
Number of shares at January 1, 2022	329,000
Increase during the period	<u>69,000</u>
Number of shares at June 30, 2022	<u>398,000</u>

The Company's shares held by its subsidiary at the end of the reporting period were as follows:

<u>Name of Subsidiary</u>	<u>Number of Shares Held</u>	<u>Carrying Amount</u>	<u>Market Price</u>
<u>June 30, 2023</u>			
Sensortek Technology Corp.	606,000	\$ 142,107	\$ 142,107
<u>December 31, 2022</u>			
Sensortek Technology Corp.	606,000	\$ 107,565	\$ 107,565
<u>June 30, 2022</u>			
Sensortek Technology Corp.	398,000	\$ 79,600	\$ 79,600

The Company's shares held by its subsidiary are treated as treasury shares.

22. REVENUE

a. Disaggregation of revenue

<u>Product</u>	<u>For the three-month periods ended June 30</u>		<u>For the six-month periods ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Integrated circuits	\$ 4,295,532	\$ 4,387,250	\$ 7,795,907	\$ 9,811,505
Others	114,031	149,966	214,272	319,321
	<u>\$ 4,409,563</u>	<u>\$ 4,537,216</u>	<u>\$ 8,010,179</u>	<u>\$ 10,130,826</u>
<u>Primary geographical markets</u>	<u>For the three-month periods ended June 30</u>		<u>For the six-month periods ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Hong Kong	\$ 3,657,069	\$ 3,705,834	\$ 6,571,284	\$ 8,094,607
Taiwan	222,496	273,974	387,728	647,234
Vietnam	212,644	285,186	442,564	624,010
South Korea	132,203	40,121	187,377	224,093
China	78,081	143,740	178,811	341,714
Others	107,070	88,361	242,415	199,168
	<u>\$ 4,409,563</u>	<u>\$ 4,537,216</u>	<u>\$ 8,010,179</u>	<u>\$ 10,130,826</u>

The basis of calculation of the Group's revenue segregated by geographical location is mainly based on the location the goods were shipped as designated by the customers.

b. Contract balances

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>	<u>January 1, 2022</u>
Trade receivable (Note 10)	\$ 1,515,700	\$ 1,226,441	\$ 1,630,314	\$ 1,951,395
Trade receivable from related parties (Note 31)	-	1,469	883	715
	<u>\$ 1,515,700</u>	<u>\$ 1,227,910</u>	<u>\$ 1,631,197</u>	<u>\$ 1,952,110</u>
Contract liabilities - current (Note 19)				
Sales of goods	<u>\$ 85,236</u>	<u>\$ 135,268</u>	<u>\$ 63,346</u>	<u>\$ 75,623</u>

Revenue recognized in the current period that was included in the contract liability balance at the beginning of the year is as follows:

	<u>For the six-month periods ended June 30</u>	
	<u>2023</u>	<u>2022</u>
<u>From contract liabilities at the start of the year</u>		
Sales of goods	<u>\$ 113,900</u>	<u>\$ 66,390</u>

Changes in contract liabilities are mainly due to the timing difference between the satisfaction of performance obligations and customer payment.

23. NET PROFIT

a. Other operating income and expense

	<u>For the three-month periods ended June 30</u>		<u>For the six-month periods ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Gain on sublease of right-of-use assets	\$ 288	\$ 284	\$ 575	\$ 582
Gain on modification of lease agreements	-	89	-	89
Gain (loss) on disposal of property, plant and equipment	-	(2)	(18)	(2)
	<u>\$ 288</u>	<u>\$ 371</u>	<u>\$ 557</u>	<u>\$ 669</u>

b. Interest income

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Financial assets at amortized cost	\$ 37,815	\$ 19,186	\$ 65,566	\$ 36,276
Financial asset at FVTPL	3,526	1,963	6,134	3,189
Investments in debt instruments at FVTOCI	3,441	2,169	7,007	3,613
Others	21	10	80	23
	<u>\$ 44,803</u>	<u>\$ 23,328</u>	<u>\$ 78,787</u>	<u>\$ 43,101</u>

c. Other income

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Rental income	\$ 6,713	\$ 5,808	\$ 13,501	\$ 11,628
Dividend income	9,146	13,204	14,025	31,213
Government grants income	1,416	939	2,509	6,425
Others	10,060	21,571	10,423	21,720
	<u>\$ 27,335</u>	<u>\$ 41,522</u>	<u>\$ 40,458</u>	<u>\$ 70,986</u>

d. Other gains and losses

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Net foreign exchange gains	\$ 25,061	\$ 57,950	\$ 22,809	\$ 127,862
Gain (loss) on financial assets designated as at FVTPL	5,235	(18,054)	30,502	(13,936)
Depreciation of investment property	(2,349)	(2,688)	(4,811)	(5,212)
Other losses	-	-	-	(9)
	<u>\$ 27,947</u>	<u>\$ 37,208</u>	<u>\$ 48,500</u>	<u>\$ 108,705</u>

e. Finance costs

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Interest on loans	\$ 13	\$ 158	\$ 36	\$ 353
Interest on lease liabilities	782	810	1,560	1,674
Other interest expenses	36	22	78	61
	<u>\$ 831</u>	<u>\$ 990</u>	<u>\$ 1,674</u>	<u>\$ 2,088</u>

f. Depreciation and amortization

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Property, plant and equipment	\$ 77,550	\$ 76,268	\$ 155,467	\$ 144,291
Investment properties	2,349	2,688	4,811	5,212
Right-of-use assets	12,821	12,260	25,404	24,750
Intangible assets	16,181	11,161	30,500	22,293
	<u>\$ 108,901</u>	<u>\$ 102,377</u>	<u>\$ 216,182</u>	<u>\$ 196,546</u>
An analysis of depreciation by function				
Operating expenses	\$ 74,250	\$ 68,534	\$ 149,084	\$ 130,492
Operating costs	16,121	19,994	31,787	38,549
Depreciation of investment property	2,349	2,688	4,811	5,212
	<u>\$ 92,720</u>	<u>\$ 91,216</u>	<u>\$ 185,682</u>	<u>\$ 174,253</u>
An analysis of amortization by function				
Operating expenses	\$ 16,151	\$ 10,689	\$ 30,406	\$ 21,345
Operating costs	30	472	94	948
	<u>\$ 16,181</u>	<u>\$ 11,161</u>	<u>\$ 30,500</u>	<u>\$ 22,293</u>

g. Employee benefits expense

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Short-term benefits	\$ 629,298	\$ 797,233	\$ 1,146,009	\$ 1,686,939
Post-employment benefits				
Defined contribution plans	15,342	14,257	30,471	27,620
Defined benefit plans (Note 20)	98	70	199	141
Share-based payments				
Equity-settled	7,580	-	7,580	-
	<u>\$ 652,318</u>	<u>\$ 811,560</u>	<u>\$ 1,184,259</u>	<u>\$ 1,714,700</u>
An analysis of employee benefits expense by function				
Operating expenses	\$ 585,867	\$ 736,236	\$ 1,062,253	\$ 1,564,761
Operating costs	66,451	75,324	122,006	149,939
	<u>\$ 652,318</u>	<u>\$ 811,560</u>	<u>\$ 1,184,259</u>	<u>\$ 1,714,700</u>

h. Employees' compensation and remuneration of directors

According to the articles of incorporation of the Company, the Company accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 25%, and rates of no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and the remuneration of directors for the three-month and six-month periods ended June 30, 2023 and 2022, respectively, are as follows:

Amount

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Employees' compensation	\$ 52,734	\$ 97,349	\$ 79,456	\$ 224,787
Remuneration of directors	\$ 7,910	\$ 19,470	\$ 11,918	\$ 44,958

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The employees' compensation and the remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 16, 2023 and March 17, 2022, respectively, are as follows:

Amount

	For the Year Ended December 31			
	2022		2021	
	Cash	Shares	Cash	Shares
Employees' compensation	\$ 317,180	\$ -	\$ 539,474	\$ -
Remuneration of directors	58,816	-	96,163	-

There is no difference between the actual amount of employees' compensation and remuneration of directors resolved by the Board of Directors and the amount recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

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

i. Gains or losses on foreign currency exchange

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Foreign exchange gains	\$ 89,502	\$ 224,889	\$ 130,162	\$ 392,043
Foreign exchange losses	(64,441)	(166,939)	(107,353)	(264,181)
Net benefit (losses)	\$ 25,061	\$ 57,950	\$ 22,809	\$ 127,862

24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ 121,426	\$ 271,055	\$ 195,997	\$ 671,637
Income tax on unappropriated earnings	883	1,905	883	1,905
Adjustments for prior years	(5,340)	1,039	(5,340)	(866)
	116,969	273,999	191,540	672,676
Deferred tax				
In respect of the current period	612	2,001	4,120	2,807
Income tax expense recognized in profit or loss	\$117,581	\$ 276,000	\$ 195,660	\$ 675,483

b. Income tax assessments

The Company's tax returns through 2020 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

	Unit: NT\$ Per Share			
	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Basic earnings per share	\$ 4.93	\$ 9.12	\$ 7.41	\$ 20.94
Diluted earnings per share	\$ 4.92	\$ 9.03	\$ 7.35	\$ 20.61

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net income

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Net income for the period	\$ 591,274	\$ 1,093,893	\$ 888,190	\$ 2,511,780
Earnings used in the computation of basic earnings per share	591,274	1,093,893	888,190	2,511,780
Effect of potentially dilutive ordinary shares:				
Employees' compensation	-	-	-	-
Earnings used in the computation of diluted earnings per share	\$ 591,274	\$ 1,093,893	\$ 888,190	\$ 2,511,780

Shares

Unit: in thousands of shares

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	119,858	119,962	119,858	119,969
Effect of potentially dilutive ordinary shares:				
Employees' compensation	339	1,124	915	1,886
Weighted average number of ordinary shares used in the computation of diluted earnings per share	120,197	121,086	120,773	121,855

Since the Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan of Forcelead Technology Corp.

On April 11, 2023 and August 16, 2022, the board of directors of Forcelead Technology Corp. approved the issuance of 1,000 thousand units of employee share option certificates. Each unit of share option certificate can be exchanged for 1 ordinary share. The share option certificates can be issued all at once or split into several issues after the approval date of the board of directors, the actual issuance date is to be fixed by the Chairman. Eligible employees are limited to full-time employees and those under certain requirements within Forcelead Technology Corp. and the employees of controlling or controlled entity who meet certain terms. The holder of the share option certificates can exercise the options at any time after the date of issuance.

The information on employee share option is summarized as follows:

	2023 Year Share Option Plan		2022 Year Share Option Plan	
	Number of Shares (In Thousands)	Weighted-average Exercise Price(NT\$)	Number of Shares (In Thousands)	Weighted-average Exercise Price(NT\$)
Balance at January 1	-	\$ -	-	\$ -
Options granted	1,000	58.00	1,000	58.00
Options exercised	(1,000)	58.00	(1,000)	58.00
Options forfeited	-	-	-	-
Balance at December 31	-	-	-	-

Per the employee share option plan of 2023, Forcelead Technology Corp. distributed 1,000 thousand units of employee share option certificates to its employees on April 11, 2023. The Black-Scholes Pricing Model was used to calculate the fair values of the employee share options, and the input values used are summarized as follows:

	<u>April 2023</u>
Grant date share price (NT\$)	\$ 65.57
Exercise price (NT\$)	\$ 58.00
Expected volatility rate	33.99%
Option life	0.012 years
Dividend yield	-
Risk-free interest rate	1.02%
Share options fair value (NT\$)	\$ 7.58

Compensation costs of the Group's employee share option plans were \$7,580 thousand in the second quarter of 2023.

Per the employee share option plan of 2022, Forcelead Technology Corp. distributed 1,000 thousand units of employee share option certificates to its employees on August 16, 2022. The Black-Scholes Pricing Model was used to calculate the fair values of the employee share options, and the input values used are summarized as follows:

	<u>August 2022</u>
Grant date share price (NT\$)	\$ 54.83
Exercise price (NT\$)	\$ 58.00
Expected volatility rate	35.61%
Option life	0.012 years
Dividend yield	-
Risk-free interest rate	0.73%
Share options fair value (NT\$)	\$ 0.07

Compensation costs of the Group's employee share option plans were \$70 thousand of 2022.

27. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On April 20, 2023, due to the Forcelead Technology Corp.'s employees execute options to issue new shares, the Group's shareholding percentage decreased from 70.76% to 68.76%.

On August 24, 2022, due to the Forcelead Technology Corp.'s employees execute options to issue new shares, the Group's shareholding percentage decreased from 72.88% to 70.76%.

Due to the distribution of employees' compensation in the form of shares by Forcelead Technology Corp. on June 28, 2022, the Group's shareholding percentage decreased from 83.48% to 72.88%.

Due to the distribution of employees' compensation in the form of shares by Sync-Tech system Corp. on July 17, 2022, the Group's shareholding percentage decreased from 45.73% to 42.86%.

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

For the six-month periods ended June 30, 2023

	<u>Sync-Tech System Corp.</u>	<u>Forcelead Technology Corp.</u>
Cash consideration received	\$ 821	\$ 58,092
Non-cash transaction	-	7,580
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>(469)</u>	<u>(53,114)</u>
Differences recognized from equity transactions	<u>\$ 352</u>	<u>\$ 12,558</u>

Line items adjusted for equity transactions

Capital surplus - changes in percentage of ownership interests in subsidiaries	<u>\$ 352</u>	<u>\$ 12,558</u>
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For the six-month periods ended June 30, 2022

	<u>Sync-Tech System Corp.</u>	<u>Forcelead Technology Corp.</u>
Cash consideration received	\$ 1,278	\$ 243,024
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>(694)</u>	<u>(181,230)</u>
Differences recognized from equity transactions	<u>\$ 584</u>	<u>\$ 61,794</u>

Line items adjusted for equity transactions

Capital surplus - changes in percentage of ownership interests in subsidiaries	<u>\$ 584</u>	<u>\$ 61,794</u>
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28. CASH FLOW INFORMATION

a. Changes in liabilities arising from financing activities

For the six-month periods ended June 30, 2023

	<u>January 1, 2023</u>	<u>Cash Flows</u>	<u>Non-cash Changes</u>				<u>June 30, 2023</u>
			<u>Foreign Exchange Movement</u>	<u>New Leases</u>	<u>Lease Modification</u>	<u>Others (Note)</u>	
Short-term borrowings	\$ 18,119	(\$ 18,045)	(\$ 74)	\$ -	\$ -	\$ -	\$ -
Lease liabilities	132,914	(26,380)	(662)	59,857	-	1,560	167,289
Guarantee deposits received	352,371	(59,242)	(1,582)	-	-	-	291,547
	<u>\$ 503,404</u>	<u>(\$ 103,667)</u>	<u>(\$ 2,318)</u>	<u>\$ 59,857</u>	<u>\$ -</u>	<u>\$ 1,560</u>	<u>\$ 458,836</u>

For the six-month periods ended June 30, 2022

	January 1, 2022	Cash Flows	Non-cash Changes				June 30, 2022
			Foreign Exchange Movement	New Leases	Lease Modification	Others (Note)	
Short-term borrowings	\$ 55,360	(\$ 26,075)	\$ 435	\$ -	\$ -	\$ -	\$ 29,720
Lease liabilities	165,525	(25,084)	764	14,824	(5,978)	1,674	151,725
Guarantee deposits received	316,468	26,463	25,833	-	-	-	368,764
	<u>\$ 537,353</u>	<u>(\$ 24,696)</u>	<u>\$ 27,032</u>	<u>\$ 14,824</u>	<u>(\$ 5,978)</u>	<u>\$ 1,674</u>	<u>\$ 550,209</u>

Note: Others comprises with interest expense of lease liabilities.

29. CAPITAL RISK MANAGEMENT

The objectives, policies and process of capital risk management and the capital structures of the Group in these consolidated financial statements were applied as the same as in the preparation of the consolidated financial statements for the year ended December 31, 2022. Please refer to Note 29 to the consolidated financial statements for the year ended December 31, 2022 for details.

30. FINANCIAL INSTRUMENTS

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

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements are relatively close to their fair values.

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

1) Fair value hierarchy

June 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic corporate funds	\$ 203,518	\$ -	\$ -	\$ 203,518
Convertible bonds	91,794	-	-	91,794
Exchangeable bonds	41,800	-	-	41,800
Domestic listed shares	2,372	-	-	2,372
Limited partnership	-	-	59,163	59,163
Derivative instruments				
Credit linked notes - linked with Convertible bonds	-	343,107	-	343,107
Equity linked notes	-	15,665	-	15,665
Foreign exchange forward contracts and foreign exchange swap contracts	-	45,311	-	45,311
	<u>\$ 339,484</u>	<u>\$ 404,083</u>	<u>\$ 59,163</u>	<u>\$ 802,730</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 545,578	\$ -	\$ -	\$ 545,578
Domestic unlisted equity investments	-	-	221,653	221,653
Foreign unlisted equity investments	-	-	542,725	542,725

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in debt instruments at FVTOCI				
Domestic corporate bonds	\$ -	\$ 49,786	\$ -	\$ 49,786
Foreign corporate bonds	-	409,182	-	409,182
	<u>\$ 545,578</u>	<u>\$ 458,968</u>	<u>\$ 764,378</u>	<u>\$1,768,924</u>

Financial liabilities at FVTPL

Derivative instruments				
Foreign exchange forward contracts and foreign exchange swap contracts	\$ -	\$ 39,531	\$ -	\$ 39,531
				(Concluded)

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic corporate funds	\$ 190,223	\$ -	\$ -	\$ 190,223
Convertible bonds	104,835	-	-	104,835
Exchangeable bonds	40,080	-	-	40,080
Domestic listed shares	2,197	-	-	2,197
Limited partnership	-	-	34,768	34,768
Derivative instruments				
Credit linked notes - linked with Convertible bonds	-	423,205	-	423,205
Foreign exchange forward contracts and foreign exchange swap contracts	-	49,170	-	49,170
Equity-linked notes	-	15,355	-	15,355
	<u>\$ 337,335</u>	<u>\$ 487,730</u>	<u>\$ 34,768</u>	<u>\$ 859,833</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 474,029	\$ -	\$ -	\$ 474,029
Domestic unlisted equity investments	-	-	193,708	193,708
Foreign unlisted equity investments	-	-	446,614	446,614
Investments in debt instruments at FVTOCI				
Foreign corporate bonds	-	399,957	-	399,957
	<u>\$ 474,029</u>	<u>\$ 399,957</u>	<u>\$ 640,322</u>	<u>\$ 1,514,308</u>

Financial liabilities at FVTPL

Derivative instruments				
Foreign exchange forward contracts and foreign exchange swap contracts	\$ -	\$ 37,725	\$ -	\$ 37,725

June 30, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic corporate funds	\$ 573,552	\$ -	\$ -	\$ 573,552
Convertible bonds	95,853	-	-	95,853
Exchangeable bonds	41,200	-	-	41,200
Domestic listed shares	2,223	-	-	2,223
Limited partnership	-	-	34,280	34,280
Derivative instruments				
Credit linked notes - linked with Convertible bonds	-	414,559	-	414,559
Equity linked notes	-	14,542	-	14,542
Foreign exchange forward contracts and foreign exchange swap contracts	-	92,840	-	92,840
	<u>\$ 712,828</u>	<u>\$ 521,941</u>	<u>\$ 34,280</u>	<u>\$1,269,049</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 596,903	\$ -	\$ -	\$ 596,903
Foreign listed shares	47,833	-	-	47,833
Domestic unlisted equity investments	-	-	179,775	179,775
Foreign unlisted equity investments	-	-	439,122	439,122
Investments in debt instruments at FVTOCI				
Foreign corporate bonds	-	341,436	-	341,436
	<u>\$ 644,736</u>	<u>\$ 341,436</u>	<u>\$ 618,897</u>	<u>\$1,605,069</u>
<u>Financial liabilities at FVTPL</u>				
Derivative instruments				
Foreign exchange forward contracts and foreign exchange swap contracts	\$ -	\$ 76,925	\$ -	\$ 76,925

For the six-month periods ended June 30, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Domestic and Foreign corporate bonds	Based on the public market quotes provided by third -party agencies.
Credit linked notes – linked with Convertible bonds	Based on the public market quotation of convertible bond, the parameters of the repurchase, the coupon interest and the interest compensation are considered as the basis for fair value measurement.
Equity-linked notes	Base on the public market quotation of stock, the parameters of the repurchase and the interest compensation are considered as the basis for fair value measurement.
Derivatives - foreign exchange forward contracts and foreign exchange swap contracts	Discounted cash flow method: Estimate the future cash flow at the end of the period by observing the forward exchange rate and the exchange rate and interest rate set by the contract, and have already discounted the discount rate of each counterparty's credit risk.

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

Domestic and foreign unlisted equity investments are evaluated by the net asset value method. The management of the Group evaluates the target of such equity investments with the active market quotation, and the net asset amount tends to the fair value of the equity investments.

The domestic limited partnership is valued using the net asset value method. The management of the Group evaluates that the amount of the net assets of this investment is equivalent to its fair value. The evaluation covers the total value of the investment's individual assets and liabilities, which reflects the value of the entity or business.

4) Adjustment of financial instruments measured using Level 3 fair values

The Group's financial assets under level 3 fair value measurement are financial instruments at FVTPL and equity instruments measured at fair value through other comprehensive income.

For the six-month periods ended June 30, 2023

	<u>Financial instruments at FVTPL</u>	<u>Financial instruments at FVTOCI</u>	<u>Total</u>
Balance at January 1	\$ 34,768	\$ 640,322	\$ 675,090
Additions	17,500	-	17,500
Recognized under profit or loss	6,895	-	6,895
Recognized under other comprehensive income	-	124,056	124,056
Balance at June 30	<u>\$ 59,163</u>	<u>\$ 764,378</u>	<u>\$ 823,541</u>

For the six-month periods ended June 30, 2022

	Financial instruments at FVTPL	Financial instruments at FVTOCI	Total
Balance at January 1	\$ 18,067	\$ 790,532	\$ 808,599
Additions	20,000	-	20,000
Recognized under profit or loss	(3,787)	-	(3,787)
Recognized under other comprehensive income	-	(171,635)	(171,635)
Balance at June 30	<u>\$ 34,280</u>	<u>\$ 618,897</u>	<u>\$ 653,177</u>

c. Categories of financial instrument

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 802,730	\$ 859,833	\$ 1,269,049
Financial assets at amortized cost (1)	12,018,163	10,097,562	13,521,243
Financial assets at FVTOCI			
Equity instruments	1,309,956	1,114,351	1,263,633
Debt instruments	458,968	399,957	341,436
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	39,531	37,725	76,925
Financial liabilities at amortized cost(2)	6,736,670	3,222,220	9,680,162

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, pledged fixed deposits, time deposits with original maturities of more than 3 months, notes receivable and trade receivables (including receivables from related parties), other receivables, other current assets and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, accounts payable, other payables (including other payables to related parties), dividends payable, other current liabilities and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

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

There has been no change in the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group's operating activities are partially denominated in foreign currencies and thus have partial natural hedging effects.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the USD, JPY and CNY.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e. the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in pre-tax profit and other equity associated with the New Taiwan dollar weakening (strengthening) 5% against the relevant currency.

	<u>USD</u>	<u>Impact</u>	<u>JPY</u>	<u>Impact</u>	<u>CNY</u>	<u>Impact</u>
	<u>For the six-month</u>		<u>For the six-month</u>		<u>For the six-month</u>	
	<u>periods ended June 30</u>		<u>periods ended June 30</u>		<u>periods ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit or loss	\$ 31,379	\$ 57,994	\$ 189	\$ 595	\$ 10,779	\$ 11,875

b) Interest rate risk

The Group was exposed to interest rate risk because the Group borrowed funds at both fixed and floating interest rates.

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

	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>
	<u>2023</u>	<u>2022</u>	<u>2022</u>
Fair value interest rate risk			
Financial assets	\$ 8,465,235	\$ 5,658,100	\$ 7,533,326
Financial liabilities	-	18,147	29,730
Cash flow interest rate risk			
Financial assets	1,792,178	2,841,123	3,892,292

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the six-month periods ended June 30, 2023 and 2022 would increase/decrease by \$1,792 thousand and \$3,892 thousand, which was mainly attributable to the Group's exposure to interest rates on variable-rate net assets. The Group's pre-tax other comprehensive income for the six-month periods ended June 30, 2023 and 2022 would decrease/increase by \$459 thousand and \$341 thousand, respectively, which was mainly a result of the changes in the fair value of investments in fixed-rate debt instruments at FVTOCI.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities, convertible bonds, exchangeable bond, credit linked structured notes of listed companies and mutual funds investments. The Group does not actively trade these investments. The Group's equity price risk is mainly concentrated in equity instruments operating in the semiconductor industry, convertible bonds quoted on the Taiwan Stock Exchange and Taipei Exchange, exchangeable bonds, credit linked structured notes, finance and insurance industries structured notes, and exchange-traded funds quoted on the Taiwan Stock Exchange and Taipei Exchange.

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax income for the six-month periods ended June 30, 2023 and 2022 would have increased/decreased by \$34,913 thousand and 57,096 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTPL. Pre-tax other comprehensive income for the six-month periods ended June 30, 2023 and 2022 would have increased/decreased by \$27,279 thousand and \$32,237 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

2) Credit risk

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

To mitigate credit risk, the management of the Group assigns a dedicated team responsible for credit line decisions, credit approvals and other monitoring procedures to ensure appropriate actions are taken for the collections of overdue receivables. In addition the Group reviews conditions on each collecting receivable to ensure the uncollectible amounts are provided with appropriate impairment losses. Accordingly, the management of the Group believes that the credit risk of the Group has been significantly reduced.

In addition, since the counterparties of liquidity and derivative financial instruments are banks with sound credit ratings, the credit risk is limited.

Apart from customers whose accounts receivable constitute more than 10% of the Group's total accounts receivable, the Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk is minimal because the customers which account for more than 10% of the Group's accounts receivable balance are creditworthy companies.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group had available unutilized short-term bank loan facilities set out in (c) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities	\$ 1,379,255	\$ 3,788,857	\$ 1,277,011	\$ -	\$ -	\$6,445,123
Lease liabilities	4,266	8,464	36,945	82,440	45,024	177,139

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities	\$ 917,812	\$ 710,676	\$ 1,223,214	\$ -	\$ -	\$ 2,851,702
Lease liabilities	4,140	8,137	35,289	89,558	-	137,124
Fixed interest rate liabilities	18,147	-	-	-	-	18,147

June 30, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities	\$ 1,703,870	\$ 5,743,806	\$ 1,834,032	\$ -	\$ -	\$9,281,668
Lease liabilities	4,142	8,198	35,450	109,546	-	157,336
Fixed interest rate liabilities	29,730	-	-	-	-	29,730

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities were subject to change if changes in variable interest rates were to differ from those estimates of interest rates determined at the end of the reporting period.

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Foreign exchange forward and foreign exchange swaps contracts				
Inflows	\$ 533,434	\$ 815,828	\$ 791,007	\$ -
Outflows	(531,233)	(814,125)	(789,131)	-
	<u>\$ 2,201</u>	<u>\$ 1,703</u>	<u>\$ 1,876</u>	<u>\$ -</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Foreign exchange forward and foreign exchange swaps contracts				
Inflows	\$ 526,353	\$ 693,678	\$ 1,453,231	\$ -
Outflows	(524,836)	(690,702)	(1,446,279)	-
	<u>\$ 1,517</u>	<u>\$ 2,976</u>	<u>\$ 6,952</u>	<u>\$ -</u>

June 30, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Foreign exchange forward and foreign exchange swaps contracts				
Inflows	\$ 686,725	\$ 786,218	\$1,570,732	\$ -
Outflows	(686,184)	(775,363)	(1,566,213)	-
	<u>\$ 541</u>	<u>\$ 10,855</u>	<u>\$ 4,519</u>	<u>\$ -</u>

c) Financing facilities

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 165,000	\$ 323,119	\$ 334,720
Amount unused	6,757,010	6,602,121	5,780,560
	<u>\$ 6,922,010</u>	<u>\$ 6,925,240</u>	<u>\$ 6,115,280</u>

The amount of used bank facilities includes a performance guarantee of \$165,000 thousand, 305,000 thousand and 305,000 thousand which were guaranteed by the bank in respect of the Supplier purchase guarantee letter opened by the Group as of June 30, 2023, December 31, 2022 and June 30, 2022.

31. TRANSACTIONS WITH RELATED PARTIES

In addition to those disclosed in other notes, detail of transactions between the Group and related parties are disclosed below:

a. Related party name and category

Related Party Name	Related Party Category
Silicon Power Computer & Communications Inc. ezGlobal Corp.	Substantive related party Substantive related party

b. Sales of goods

Related Party Category	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Substantive related party	\$ 1,559	\$ 841	\$ 1,583	\$ 886

The transactions for related parties were negotiated under the terms of general transactions and prices.

c. Operating expenses

Related Party Category	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Substantive related party	\$ 202	\$ 240	\$ 403	\$ 430

The transaction in which the Group made payments of operating expenses to a related party was subject to a contractual agreement as there is no similar transaction for comparison.

d. Receivables from related parties

Related Party Category	Line Item	June 30, 2023	December 31, 2022	June 30, 2022
Substantive related party	Trade receivables from related parties	\$ -	\$ 1,469	\$ 883

The outstanding trade receivables from related parties were unsecured. No impairment losses were recognized for trade receivables from related parties.

e. Prepayments

Related Party Category	June 30, 2023	December 31, 2022	June 30, 2022
Substantive related party	\$ 200	\$ 258	\$ 439

f. Payables to related parties

Related Party Category	Line Item	June 30, 2023	December 31, 2022	June 30, 2022
Substantive related party	Other payables to related parties	\$ 118	\$ 182	\$ 157

The outstanding trade payables to related parties are unsecured.

g. Lease arrangement - the Group is lessor

Operating Lease

Future lease receivables are as follows:

Related Party Category	June 30, 2023	December 31, 2022	June 30, 2022
Substantive related party	\$ 1,525	\$ 508	\$ 1,525

Lease income was as follows:

<u>Related Party Category</u>	<u>For the three-month periods ended June 30</u>		<u>For the six-month periods ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Substantive related party	\$ 509	\$ 508	\$ 1,022	\$ 1,019

The terms of transactions between the Group and its related parties for the collection of rent are based on the terms of contractual agreements as there were no similar transactions for comparison.

<u>Related Party Category</u>	<u>For the three-month periods ended June 30</u>		<u>For the six-month periods ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Deposit interest</u>				
Substantive related party	\$ -	\$ -	\$ 5	\$ 3

h. Guarantee deposits received

<u>Related Party Category</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Substantive related party	\$ 356	\$ 356	\$ 356

The guarantee deposits received are mainly generated from the rental deposits.

i. Remuneration of key management personnel

	<u>For the three-month periods ended June 30</u>		<u>For the six-month periods ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 45,027	\$ 108,783	\$ 102,991	\$ 171,942
Post-employment benefits	454	448	907	895
Share-based payments	1,455	-	1,455	-
	<u>\$ 46,936</u>	<u>\$ 109,231</u>	<u>\$ 105,353</u>	<u>\$ 172,837</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and the Group's profits.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the tariff of imported raw materials guarantees:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Pledged deposits	\$ 825,147	\$ 757,789	\$ 739,770

Pledged deposits are classified as financial assets measured at amortized cost - current.

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

In addition to those disclosed in other notes, the significant commitments of the Group at the balance sheet date are as follows:

a. Long-term purchase agreements

The Group entered into long-term purchase agreements of materials with suppliers during 2021. Both parties agreed that during the contract period, the suppliers would deliver the materials to the Group in accordance with the agreements. The Group has paid the suppliers USD32,151 thousand as guarantee to ensure the supply of materials. The rights and obligations of both parties are based on the content of each agreement. The Group evaluates that one of the obligation of long-term purchase agreement can't be fulfilled. Hence, the Company decided to write off some portion of prepayments of the purchase, the impairment loss was classified as operating cost. This estimation could be adjusted due to the market demand fluctuates in the future.

b. Long-term supply agreements

The Group entered into long-term supply agreements of products with clients from 2021 to March 31, 2023. Both parties agreed that during the contract period, the Group would deliver the products to clients in accordance with the agreements. The Group has collected USD1,613 thousand as guarantee to ensure the supply of products. The rights and obligations of both parties are based on the content of each agreement.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	<u>June 30, 2023</u>		<u>December 31, 2022</u>		<u>June 30, 2022</u>	
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 103,411	31.14	\$ 85,538	30.710	\$ 157,514	29.720
JPY	48,651	0.2150	90,498	0.2324	124,552	0.2182
CNY	50,348	4.2820	41,270	4.408	53,504	4.439
<u>Non-monetary items</u>						
USD	25,693	31.14	22,770	30.710	22,831	29.720
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	83,258	31.14	48,551	30.710	118,487	29.720
JPY	31,054	0.2150	31,704	0.2324	70,054	0.2182

The Group is mainly exposed to the USD, CNY and JPY. The following information was aggregated by the functional currencies of the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the three-month periods ended June 30, 2023		For the three-month periods ended June 30, 2022	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1(NTD:NTD)	\$ 19,463	1(NTD:NTD)	\$ 57,430
CNY	4.282(CNY:NTD)	5,598	4.439(CNY:NTD)	520
		<u>\$ 25,061</u>		<u>\$ 57,950</u>

Foreign Currency	For the six-month periods ended June 30, 2023		For the six-month periods ended June 30, 2022	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1(NTD:NTD)	\$ 18,050	1(NTD:NTD)	\$ 127,537
CNY	4.282(CNY:NTD)	4,759	4.439(CNY:NTD)	325
		<u>\$ 22,809</u>		<u>\$ 127,862</u>

35. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions and b. information on investees:
- 1) Financing provided to others: Table 1 (attached)
 - 2) Endorsements/guarantees provided: Table 2 (attached)
 - 3) Marketable securities held (excluding investment in subsidiaries): Table 3 (attached)
 - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
 - 9) Trading in derivative instruments: Note 7 and Note 30.
 - 10) Intercompany relationships and significant intercompany transactions: Table 5 (attached)
 - 11) Information on investees: Table 6 (attached)

c. Information on investments in mainland China: Table 7 and 8 (attached)

In the preparation of the consolidated financial statements, major transactions between parent and subsidiary companies and their balances have been fully eliminated.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: None

36. SEGMENT INFORMATION

The operating decision makers of the Group use the distribution of resources and the evaluation of segment performance to focus on the financial information of the Group as a whole, while individual companies have similar economic characteristics, and individual companies have used similar processes to produce similar products and sell them through the same sales method, so the Company and its subsidiaries are reported by the single operating department.

The Company and its subsidiaries provide the segment information reviewed by the operating decision maker on the same basis as the financial statements, and the profit and loss, assets and liabilities of the operating department are measured on the same basis as the combined financial report preparation, Therefore, the segment income and operating results for the six-month periods ended June 30, 2023 and 2022 can be referenced by the combined consolidated income and loss Statement for the six-month periods ended June 30, 2023 and 2022.

Segment assets that should be reported can be found in the consolidated balance sheets for the years ended June 30, 2023, December 31, 2022 and June 30, 2022.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
													Item	Value		
0	The Company	mCore Technology Corp.	Other receivables from related parties	Yes	\$ 100,000	\$ 100,000	\$ 21,798	6.29%	For financing	\$ -	Working capital	\$ -	—	\$ -	\$ 2,284,591	\$ 4,569,181
		INFSitronix Technology Corp.	Other receivables from related parties	Yes	100,000	100,000	3,000	2.065%	For financing	-	Working capital	-	—	-	2,284,591	4,569,181
		Seer Microelectronics, Inc.	Other receivables	No	60,000	60,000	-	-	For financing	-	Working capital	-	—	-	2,284,591	4,569,181

Note 1: The description is as follows

1. Lender is numbered as 0.
2. Investee is numbered sequentially from 1.

Note 2: According to the "Financing providing and operation management method", the total amount and the available amount to any individual for lending are as follows:

1. The total amount for lending shall not exceed forty percent of SITRONIX's net worth. However the total amount lendable to any subsidiary for short-term financing could upper to the total available amount of the company.
2. The total amount for lending to or lending from any directly or indirectly hold foreign subsidiaries with 100% ownership, shall not exceed 40% of the net worth of the lending company. The total amount for lending to any individual shall not exceed 50% of the total available amount.
3. Where funds are lent to a company or business with business relationships with the Company, the total amount for lending to any individual shall not exceed the amount of business transaction between the two parties. Amount of business transaction defines the highest amount of purchase or sales.
4. The total amount for lending to any individual shall not exceed 50% of the Company's net worth for the company or firm that needs short-term financing.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	Hefei Sitronix Technology Co., Ltd.	Subsidiary	\$ 5,711,477	\$ 100,000	\$ 100,000	\$ -	\$ -	1.02	\$ 5,711,477	Yes	—	Yes
		mCore Technology Corp.	Subsidiary	5,711,477	100,000	100,000	10,227	-	1.02	5,711,477	Yes	—	—
		INFSitronix Technology Corp.	Subsidiary	5,711,477	100,000	100,000	4,671	-	1.02	5,711,477	Yes	—	—
		HeFei Sitronix Co., Ltd.	Subsidiary	5,711,477	400,000	400,000	119,889	-	4.07	5,711,477	Yes	—	Yes

Note 1: The description is as follows

- Lender is numbered as 0.
- Investee is numbered sequentially from 1.

Note 2: According to the “endorsement guarantee operation management measures” of Sitronix Technology Corp. The total amount of endorsement guarantee shall not exceed 50% of the net value in the latest year’s financial statements audited by CPA. The amount of endorsement guarantee for a single enterprise shall not exceed 25% of the net value of the latest year’s financial statements audited by CPA. However, the amount of endorsement guarantee for the company that directly and indirectly holds more than 50% of the voting shares of a company shall not exceed 50% of the net value of the latest year’s financial statements audited by CPA.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2023			Fair Value	Note
				Number of Shares (Note 5)	Carrying Amount	Percentage of Ownership (%)		
The Company	<u>Bond</u>							
	FORCAY 3.375% 04/22/2025, USD bond	-	Financial assets at amortized cost - non-current	-	\$ 31,362	-	\$ 31,362	Note 2
	TSMC ARIZONA CORP 4.125% 04/22/29, USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	29,728	-	29,728	Note 1
	TAIWAN MOBILE first Unsecured Straight Corporate Bond in 2023	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	49,786	-	49,786	Note 1
	Yulon Motor Co., Ltd. third Domestic Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	-	11,030	-	11,030	Note 1
	Chailease Holding Company Limited first Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	-	9,985	-	9,985	Note 1
	Taishin Financial Holding Co., Ltd. first Unsecured Exchangeable Bond	-	Financial assets at fair value through profit or loss - current	-	20,900	-	20,900	Note 1
	Topco Technologies Corp. first Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	-	21,440	-	21,440	Note 1
	<u>Derivatives</u>							
	3M USD FCN [AAPL+MSFT+GOOGL] 12.44% 09/06/2023	-	Financial assets at fair value through profit or loss - current	-	15,665	-	15,665	Note 1
	Taiwan Mask Corp. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	40,159	-	40,159	Note 1
	Taishin Financial Holding Co., Ltd. E1 Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	35,109	-	35,109	Note 1
	Wah Lee Industrial Corp. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	20,062	-	20,061	Note 1
	Shin Kong Financial Holding Co., Ltd. fifth Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	30,055	-	30,055	Note 1
	Ultra Chip, Inc. second Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	29,989	-	29,989	Note 1
	<u>Fund</u>							
	KGI Taiwan Assets Fund	-	Financial assets at fair value through profit or loss - current	5,504	64,138	-	64,138	Note 1
	UPAMC CB Strategy Fund	-	Financial assets at fair value through profit or loss - current	10,000	106,941	-	106,941	Note 1
	UPAMC Taiwan Smart Strategy Fund	-	Financial assets at fair value through profit or loss - current	1,000	10,660	-	10,660	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2023				Note
				Number of Shares (Note 5)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	<u>Stock</u> Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	7	\$ 425	-	\$ 425	Note 1
	Silicon Power Computer & Communications Inc.	Substantive related party	Investments in equity instruments at fair value through other comprehensive income - current	4,199	132,469	-	132,469	Note 1
	Taishin Financial Holding Co., Ltd. Preferred Share E	-	Investments in equity instruments at fair value through other comprehensive income - current	189	9,658	-	9,658	Note 1
	Taishin Financial Holding Co., Ltd. Preferred Share E (2)	-	Investments in equity instruments at fair value through other comprehensive income - current	474	22,847	-	22,847	Note 1
	Kwong Lung Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	146	8,132	-	8,132	Note 1
	WPG Holdings Limited Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	690	33,465	-	33,465	Note 1
	Chailease Holding Company Limited Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	250	24,950	-	24,950	Note 1
	WT Microelectronics Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	1,000	48,100	-	48,100	Note 1
	Fubon Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	175	10,850	-	10,850	Note 1
	Cathay Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	131	7,559	-	7,559	Note 1
	Nan Ya Plastics Corporation	-	Investments in equity instruments at fair value through other comprehensive income - current	150	10,875	-	10,875	Note 1
	G-Tech Electronics Limited	-	Investments in equity instruments at fair value through other comprehensive income - current	307	-	2	-	
	<u>Equity Investment</u> HANS GLOBAL SELECT FUND LIMITED	-	Investments in equity instruments at fair value through other comprehensive income - non-current	120	281,326	-	281,326	Note 3
	Fong Huang Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	3,000	33,891	9	33,891	Note 3
	Fong Huang II Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	3,000	32,978	7	32,978	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2023				Note
				Number of Shares (Note 5)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Top Taiwan XIII Venture Capital Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	10,000	\$ 103,626	12	\$ 103,626	Note 3
	Fong Huang IV Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	1,500	18,180	6	18,180	Note 3
	<u>Limited Partnership</u> CDIB-Innolux Limited Partnership	-	Financial assets at fair value through profit or loss - non-current	5,000	59,163	-	59,163	Note 3
Sitronix Investment Corp.	<u>Equity Investment</u> HANS GLOBAL SELECT FUND LIMITED	-	Investments in equity instruments at fair value through other comprehensive income - non-current	112	261,399	-	261,399	Note 3
Sensortek Technology Corp.	<u>Bond</u> CHLEAS 3.75% 10/22/2023 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - current	-	61,410	-	61,410	Note 1
	HSBC 3.75% 05/24/2024 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - current	-	15,283	-	15,283	Note 1
	China Huadian Corporation 3.375% Perpetual USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	29,851	-	29,851	Note 1
	TSMC ARIZONA CORP 4.125% 04/22/2029 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	29,728	-	29,728	Note 1
	CITI 2.80% 06/15/2025 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	29,386	-	29,386	Note 1
	FORCAY 3.375% 04/22/2025 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	14,930	-	14,930	Note 1
	Chailease Holding Company Limited first Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	-	28,657	-	28,657	Note 1
	Taishin Financial Holding Co., Ltd. first Unsecured Exchangeable Bond	-	Financial assets at fair value through profit or loss - current	-	20,900	-	20,900	Note 1
	Yulon Motor Co., Ltd. third Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	-	9,927	-	9,927	Note 1
	Elite Material Co., Ltd. fifth Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	-	5,625	-	5,625	Note 1
	MIC fourth Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	-	2,620	-	2,620	Note 1
	AcBel Polytech Inc. first Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	-	2,510	-	2,510	Note 1
	<u>Derivatives</u> Shin Kong Financial Holding Co., Ltd. fifth Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	30,055	-	30,055	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2023				Note
				Number of Shares (Note 5)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Sensortek Technology Corp.	Ultra Chip, Inc. second Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	\$ 29,989	-	\$ 29,989	Note 1
	Yeong Guan Energy Technology Group Co., Ltd. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	12,900	-	12,900	Note 1
	Anli International Co., Ltd. first Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	9,859	-	9,859	Note 1
	Taishin Financial Holding Co., Ltd. E1 Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	35,109	-	35,109	Note 1
	Taiwan Mask Corp. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	30,109	-	30,109	Note 1
	Wah Lee Industrial Corp. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	20,062	-	20,062	Note 1
	Yulon Motor Co., Ltd. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	10,048	-	10,048	Note 1
	RiTdisplay Corporation second Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	9,602	-	9,602	Note 1
	<u>Stock</u> WT Microelectronics Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	2,000	96,200	-	96,200	Note 1
	Fubon Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	800	49,600	-	49,600	Note 1
	Taishin Financial Holding Co., Ltd. Preferred Share E	-	Investments in equity instruments at fair value through other comprehensive income - current	609	31,120	-	31,120	Note 1
	Chailease Holding Company Limited Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	300	29,940	-	29,940	Note 1
	Powertech Technology Inc.	-	Investments in equity instruments at fair value through other comprehensive income - current	171	17,955	-	17,955	Note 1
	Taiwan Cement Corp.	-	Investments in equity instruments at fair value through other comprehensive income - current	69	2,643	-	2,643	Note 1
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	32	1,947	-	1,947	Note 1
	Sitronix Technology Corp.	The Parent Company	Investments in equity instruments at fair value through other comprehensive income - non-current	606	142,107	-	142,107	Note 1
	<u>Equity Investment</u> Fong Huang II Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	3,000	32,978	7	32,978	Note 3
Forcelead Technology Corp.	<u>Fund</u> TAISHIN JU LONG Fund	-	Financial assets at fair value through profit or loss - current	1,747	21,779	-	21,779	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2023				
				Number of Shares (Note 5)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Forcelead Technology Corp.	<u>Stock</u> WPG Holdings Limited Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	190	\$ 9,215	-	\$ 9,215	Note 1
Sitronix Holding International Ltd.	<u>Bond</u> CHLEAS 3.75% 10/22/2023 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - current	-	USD 986	-	USD 986	Note 1
	CITI 2.75% 04/08/2024 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - current	-	USD 2,915	-	USD 2,915	Note 1
	China Huadian Corporation 3.375% Perpetual USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	USD 959	-	USD 959	Note 1
	AT&T INC 5.35% 11/01/2066 (TBB) USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	USD 583	-	USD 583	Note 1
	CITI 2.80% 06/15/2025 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	USD 944	-	USD 944	Note 1

(Concluded)

Note 1: Calculated based on the closing price on June 30, 2023.

Note 2: Listed based on book value.

Note 3: Calculated based on the net value on June 30, 2023.

Note 4: As of June 30, 2023, the above listed marketable securities were neither provided as guarantee nor pledged as collateral for loans.

Note 5: The number of shares/units are in thousands.

Note 6: The marketable securities listed in the table above refer to the securities, bonds, beneficiary certificates and securities that fall within the scope of IFRS 9 "Financial Instruments".

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Sensortek Technology Corp.	Subsidiary	Purchase	\$ 774,024	34%	Net 60 days from the ship date	\$ -	—	(\$ 308,494)	22%	—

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS AND AMOUNTS
 FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
0	The Company	Sensortek Technology Corp.	from the parent company to the subsidiary	Sales	\$ 26,543	—	-
				Purchases	774,024	—	10%
				Trade receivables	11,527	—	-
				Other receivables	2,017	—	-
				Trade payables	308,494	—	1%
		Forcelead Technology Corp.	from the parent company to the subsidiary	Sales	31,321	—	-
				Purchases	35,196	—	-
				Other receivables	368,555	—	2%
				Trade receivables	12,524	—	-
				Trade payables	15,297	—	-
				Rental income	3,098	—	-
				Guarantee deposit received	13,812	—	-
		INFSitronix Technology Corp.	from the parent company to the subsidiary	Sales	3,805	—	-
Other receivables	6,162			—	-		
mCore Technology Corp.	from the parent company to the subsidiary	Sales	9,789	—	-		
		Trade receivables	3,315	—	-		
		Other receivables	36,435	—	-		
Sync-Tech System Corp.	from the parent company to the subsidiary	Rental income	3,633	—	-		
		Manufacturing expenses	13,143	—	-		
		Other receivables	9,728	—	-		
		Other payables	10,628	—	-		
HeFei Sitronix Co., Ltd.	from the parent company to the subsidiary	Purchases	10,899	—	-		
		Trade payables	3,777	—	-		
Sitronix Technology (Shenzhen) Co., Ltd.	from the parent company to the subsidiary	Professional service fees	89,101	—	1%		
1	Forcelead Technology Corp.	Sync-Tech System Corp.	from the subsidiary to the subsidiary	Manufacturing expenses	8,359	—	-
				Other payables	5,740	—	-

Note 1: The purchase transactions of the Company and its subsidiaries, their trading prices and collection conditions, are not significantly different from those of non-subsidiaries, and the rest of the transactions with the subsidiaries are calculated in accordance with the contractual agreements.

Note 2: The transaction of the Forcelead Technology Corp. and the Sync-Tech System Corp. is calculated according to mutual agreements.

TABLE 6

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTEEES (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Foreign Currencies in Thousands)		Balance as of June 30, 2023			Net Income (Loss) of the Investee	Share of (Loss) Profit
				June 30, 2023	December 31, 2022	Number of Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount		
The Company	Sitronix Investment Corp.	Taiwan	Investment	\$ 367,270	\$ 367,270	33,249	100.00	\$ 268,142	(\$ 2,319)	(\$ 2,319)
	Forcelead Technology Corp.	Taiwan	R&D and sale of multi-functional integrated automotive display driver ICs	717,634	717,634	24,337	68.76	893,519	181,659	127,012
	Sensortek Technology Corp.	Taiwan	R&D, design and sales of sensor integrated circuit products	113,318	113,318	22,530	46.06	1,761,908	262,710	121,007
	mCore Technology Corp.	Taiwan	Providing solutions for consumer display and voice/audio related applications	131,074	131,074	9,583	90.73	112,152	8,523	7,733
	Sync-Tech System Corp.	Taiwan	Design, manufacturing and maintenance of semiconductor consumables and testing equipment	160,554	160,554	12,160	42.86	320,859	23,760	10,185
	INFSitronix Technology Corp.	Taiwan	Comprehensive line of Power supervisor IC design	193,559	193,559	9,796	58.42	58,756	(16,014)	(9,355)
	ezGreen Inc.	Taiwan	Software design and electronic information supply services	160,000	100,000	16,000	100.00	50,867	(18,674)	(18,674)
Sitronix Investment Corp.	Sitronix Holding International Ltd.	Samoa	Investment	186,840	186,840	6,000	100.00	213,145	3,368	3,368
	Sensortek Technology Corp.	Taiwan	R&D, design and sales of sensor integrated circuit products	(USD 6,000) 10	(USD 6,000) 10	2	-	188	262,710	12
	INFSitronix Technology Corp.	Taiwan	Comprehensive line of Power supervisor IC design	10	10	-	-	2	(16,014)	-

Note : Foreign currencies is converted into NTD using the exchange rates of the US dollar to NTD on June 30, 2023.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
 FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Foreign Currencies in Thousands)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Foreign Currencies in Thousands)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2023 (Foreign Currencies in Thousands)	Net Income (Loss) of the Investee	% Ownership for Direct or Indirect Investment	Investment Gain(Loss)	Carrying Amount as of June 30, 2023	Accumulated Repatriation of Investment Income as of June 30, 2023
					Outward (Foreign Currencies in Thousands)	Inward						
Sitronix Technology (Shenzhen) Co., Ltd.	Computer software and hardware development, sales and after-sales service business and related technical consulting services	\$ 12,456 (USD 400)	Note 1	\$ 12,456 (USD 400)	\$ -	\$ -	\$ 12,456 (USD 400)	\$ 7,327	100%	\$ 7,327	\$ 33,341	\$ 10,237
HeFei ezGreen Co., Ltd.	Design, sales and technical services of Supplier management software development	42,820 (CNY 10,000)	Note 4	42,820 (CNY 10,000)	-	-	42,820 (CNY 10,000)	(4,537)	100%	(4,537)	15,578	-
HeFei Sitronix Co., Ltd.	R&D, design, sales and technical services of integrated circuits and system hardware and software	214,100 (CNY 50,000)	Note 5	96,345 (CNY 22,500)	-	-	96,345 (CNY 22,500)	25,279	90%	22,751	425,425	-
HeFei Sitronix Technology Co., Ltd.	R&D and sale of integrated circuits; R&D, service and sales of integrated circuits chip	128,460 (CNY 30,000)	Note 6	128,460 (CNY 30,000)	-	-	128,460 (CNY 30,000)	(3,852)	100%	(3,852)	120,887	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2023 (Foreign Currencies in Thousands)	Investment Amount Authorized by the Investment Commission, MOEA (Foreign Currencies in Thousands)	Upper Limit on the Amounts of Investment Stipulated by Investment Commission, MOEA
\$ 306,636 (US\$ 9,847)	\$ 725,967 (US\$ 23,313)	\$5,903,214

Note 1: Direct Investment, as of June 30, 2023, the total investment amount approved by the Investment Commission, MOEA, is US\$400 thousand, and the investment amount of US\$400 thousand has been remitted.

Note 2: Foreign currencies are converted into NTD using the exchange rates of the US dollar and CNY to NTD on June 30, 2023.

Note 3: According to the Investment Commission, MOEA, 60% of the net value of investments in mainland China is set.

Note 4: Direct Investment, as of June 30, 2023, the total investment amount approved by the Investment Commission, MOEA, is CNY10,000 thousand, and the investment amount of CNY10,000 thousand has been remitted.

Note 5: Direct Investment, as of June 30, 2023, the total investment amount approved by the Investment Commission, MOEA, is CNY45,000 thousand, and the investment amount of CNY22,500 thousand has been remitted, and the capital increase from capital surplus in the amount of CNY22,500 thousand.

Note 6: Direct Investment, as of June 30, 2023, the total investment amount approved by the Investment Commission, MOEA, is CNY90,000 thousand, and the investment amount of CNY30,000 thousand has been remitted.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Relationship	Transaction Type	Total Operating Expenses		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
				Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
The Company	Sitronix Technology (Shenzhen) Co., Ltd.	from the parent company to the subsidiary	Professional service fees	\$ 89,101	11%	Calculated based on the contract	Calculated based on the contract	No related similar transactions to follow	\$ -	-	\$ -	—