

**Sitronix Technology Corporation**  
**2024 Annual Shareholders' Meeting Minutes**  
**(Translation)**

Time: 9:00 a.m., June 20, 2024 (Thursday)

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

Type of the meeting: Physical shareholders meeting.

Attendants : The total number of shares issued by the company is 120,136,876 shares. The outstanding shares of the company is 120,136,876 shares. All shareholders and their proxy holders, representing 97,217,450 shares (Including 74,067,047 shares voted via electronic), or 80.92% of the total 120,136,876 outstanding shares, constitutes a quorum. The following persons were present: Vincent Mao (the chairman of the Board of Directors), I-Hsi Cheng (Director), Cheng-Chieh Dai (Independent Director & Chairman of the Audit Committee), Yu-Nu Lin (Independent Director), Jui-Hsiang Lo (Independent Director), the number of Directors present at the meeting is more than half of total number of Directors.

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

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

Minute Recorder : Shu-Fang Hsu

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

**II. Chairman's Address (omitted)**

**III. Report Items**

(I) 2023 Business Report (see Attachment I).

(II) 2023 Audit Committee's Review Report (see Attachment II).

(III) Report on the distribution of remuneration for employees and directors for 2023.

**Explanation:** In accordance with the provisions of the Company's Articles of Incorporation, the remuneration of NT\$24,833,253 and NT\$165,555,012 have been distributed to directors and employees in cash, respectively.

(IV) Report on cash dividends of earnings distribution for 2023.

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

2. Allocate the shareholders dividends of NT\$1,441,642,512 for the distribution in cash at NT\$12 per share. The calculation method of "unconditional leaving out the number less than NT\$1" was adopted for the distribution of cash dividends, and the total number of decimal fraction less than NT\$1 shall be adjusted on the decimal number from big to small and the account number from front to back to accord with the total cash dividend distribution.

#### **IV. Election Matters**

**Explanation:**

To elect the 11th Board of Directors of the Company. **(Proposed by the Board of Directors)**

- (I) The term of the 10th Board of Directors of the Company expires on July 26, 2024. It is proposed to hold the election for the Board of Directors in this annual shareholders' meeting.
- (II) In accordance with Article 13 of the Article of Incorporation, a total of nine directors shall be elected (including four independent directors), and a candidate nomination system shall be adopted. The shareholders shall select the directors (including independent directors) from among the nominees listed in the Roster of Director Candidates for the term of office from June 20, 2024 to June 19, 2027. The term of office of the former directors shall expire upon the completion of this annual shareholders' meeting.
- (III) The Roster of Director Candidates was approved by the resolution of the Board of Directors on March 7, 2024. The Roster of Director Candidates (see Attachment III).
- (IV) Mr. Cheng-Chieh Dai, the independent director, has served as an independent director of the Company for three consecutive terms. In view of his expertise in business management and experience in corporate governance, which will be of significant benefit to the Company, he was nominated as one of the independent director candidates.
- (V) The re-election shall be conducted in accordance with the Company's Procedures for the Election of Directors.
- (VI) Call for election.

## Election Results:

Title	Account (Number)	Acconut (Name)	Elected Votes
Director	11	Vincent Mao	99,330,338
Director	26	Wen-Bin Lin	88,995,856
Director	24	I-Hsi Cheng	88,643,066
Director	61339	Silicon Power Computer&Communi cations Inc.	88,550,069
Director	44	Sheng-Su Lee	88,023,836
Independent Director	42917	Cheng-Chieh Dai	82,639,273
Independent Director	Q22211****	Yu-Nu Lin	88,316,496
Independent Director	69	Jui-Hsiang Lo	88,327,661
Independent Director	A12006****	Chuang-Yao Fan	94,650,305

## V. Matters for Ratification Proposed Resolution

### (I) 2023 Financial Statements and Business Report is submitted for approval.

#### (Proposed by the Board of Directors)

#### Explanation:

1. The Board of Directors has delivered the Company's 2023 Parent Company Only Financial Statements and Consolidated Financial Statements, which have been audited and completed by CPA Cheng-Chih Lin and Mei-Chen Tsai of the Deloitte & Touche Taipei, Taiwan Republic of China, together with the business report, to the Audit Committee for verification, and the audit report has been issued.
2. 2023 Business Report please refer to Attachment I, Independent Auditors' Report and the aforementioned financial statements, please refer to Attachment IV and V.
3. Please approve.

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

#### Voting Results:

Shares represented at the time of voting: 97,217,450 (74,067,047)\*

Voting Results*		% of the total represented share present
Votes in favor:	93,836,026 votes ( 70,710,623 votes)	96.52%
Votes against:	113,523 votes ( 113,523 votes)	0.11%
Votes invalid:	0 votes ( 0 votes)	0.00%
Votes abstained:	3,267,901 votes ( 3,242,901 votes)	3.36%

\* Including votes casted electronically (numbers in brackets)

**(II) 2023 Profit Distribution Proposal is submitted for approval.**

**(Proposed by the Board of Directors)**

**Explanation:**

1. The 2023 Profit Distribution Proposal of the Company has been approved by the Board of Directors on March 7, 2024.
2. For the 2023 Profit Distribution Proposal, please refer to Attachment VI.
3. Please approve.

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

**Voting Results:**

Shares represented at the time of voting: 97,217,450 (74,067,047)\*

Voting Results*			% of the total represented share present
Votes in favor:	94,661,383 votes	( 71,535,980 votes)	97.37%
Votes against:	10,585 votes	( 10,585 votes)	0.01%
Votes invalid:	0 votes	( 0 votes)	0.00%
Votes abstained:	2,545,482 votes	( 2,520,482 votes)	2.61%

\* Including votes casted electronically (numbers in brackets)

**(III) The amendments to "Procedures for Acquisition or Disposal of Assets" is submitted for discussion.**

**(Proposed by the Board of Directors)**

**Explanation:**

1. To meet the operating needs of the Company, it is proposed to amend part of the provisions of the "Procedures for Acquisition or Disposal of Assets".
2. For the Comparison Table for the Procedures for Acquisition or Disposal of Assets Before and After Amendment, please refer to Attachment VII.
3. Please discuss.

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

**Voting Results:**

Shares represented at the time of voting: 97,217,450 (74,067,047)\*

Voting Results*			% of the total represented share present
Votes in favor:	94,137,711 votes	( 71,012,308 votes)	96.83%
Votes against:	10,100 votes	( 10,100 votes)	0.01%
Votes invalid:	0 votes	( 0 votes)	0.00%
Votes abstained:	3,069,639 votes	( 3,044,639 votes)	3.15%

\* Including votes casted electronically (numbers in brackets)

**(IV) Removal of competition restrictions for new directors and their representatives.**

**(Proposed by the Board of Directors)**

**Explanation:**

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

Title	Name	Concurrent position currently
Director	Vincent Mao	Chairman, Sitronix Holding International Limited. Director, mCore Technology Corp. Director, Sensortek Technology Corp. Chairman & CEO, Forcelead Technology Corp. Director, Infinno Technology Corp. Chairman, Sitronix Investment Corp. Director, Sync-Tech System Corp. Director, Silicon Power Computer & Communications Inc. Independent Director, Compal Broadband Networks Inc. Director, Ezglobal Network Service Inc. Chairman & CEO, Seer Microelectronics, Inc. Director, Fong Huang Innovation Investment Co., Ltd. Director, Fong Huang II Innovation Investment Co., Ltd. Director, Fong Huang III Innovation Investment Co., Ltd. Director, Fong Huang IV Innovation Investment Co., Ltd.
Director	I-Hsi Cheng	Chairman & CEO, mCore Technology Corp.
Director	Sheng-Su Lee	Deputy Chairman & CEO, Silicon Power Computer & Communications Inc. Chairman & CEO, Sensortek Technology Corp. Director, Silicon Power Investment CO., LTD
Independent Director	Cheng-Chieh Dai	General Manager, Accuvision Technology Inc. Director, Accuvision Technology Inc. Independent Director, NEXCOM International Co., Ltd. Director, STL Technology Ltd. Director, Cheng Yu Investment Co., Ltd.
Independent Director	Yu-Nu Lin	Financial Assistant General Manager, Chin-Poon Industrial Co., Ltd.
Independent Director	Jui-Hsiang Lo	Chairman, IC PLUS Corp. Supervisor, Qi Liheng Co., Ltd.
Independent Director	Chuang-Yao Fan	General Manager, Shin Hwa Clock Industry Co., Ltd. General Manager, Telstar Enterprises Co., Ltd

4. Please discuss.

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

**Voting Results:**

Shares represented at the time of voting: 97,217,450 (74,067,047)\*

Voting Results*			% of the total represented share present
Votes in favor:	93,744,397 votes	( 70,618,994 votes)	96.42%
Votes against:	354,419 votes	( 354,419 votes)	0.36%
Votes invalid:	0 votes	( 0 votes)	0.00%
Votes abstained:	3,118,634 votes	( 3,093,634 votes)	3.20%

\* Including votes casted electronically (numbers in brackets)

**VI. Extemporaneous Motions :** None.

**Shareholder's speech :** None.

**VII. Adjournment :** 9:18 a.m.

# Sitronix Technology Corp.

## Business Report

Attachment I

### **I. Operating Performance in 2023**

#### **(I.) Implementation results of the business plan**

In 2023, Sitronix's annual consolidated operating revenue totaled about NT\$16.7 billion, its consolidated operating gross profit was NT\$5.71 billion, its consolidated net profit after tax was NT\$2.42 billion, and its after-tax EPS was NT\$15.5 per share.

In 2023, the purchasing power of major global markets weakened as the United States raised interest rates to control inflation. Although the Chinese economy has resumed, the recovery in demand is lower than anticipated. Despite inventory adjustments, an economic downturn, and exchange rate fluctuations, Silicon Creation's inventory has already returned to a healthy level in the second quarter. The revenue of the four major product segments (Internet of Things, Industrial Control, Sensor Chips, and Automotive) has also started to recover. In terms of cost control, the company implemented a cost improvement plan at the beginning of the year, carefully considering the possibility of cost optimization at each stage. Consequently, gross profit has experienced a significant rebound in the subsequent two quarters, showcasing the management team's remarkable achievements in planning and execution. As we strengthen our current market position, we also focus on enhancing long-term profitability. This involves gradually introducing next-generation products that offer a competitive advantage and optimize our future portfolio.

Sitronix has achieved high market visibility in the capital market by being included in the 10 constituent stocks compiled by Taiwan Index Company. It is also associated with passive funds focused on high dividends, semiconductors, and sustainability. This demonstrates the company's outstanding profitability, dividend distribution, and corporate sustainability performance. Furthermore, Sitronix and its subsidiary, Sortek, have been honored with four prestigious Taiwan Investor Relations Association awards. They were voted the top investor relations companies among large-cap listed and OTC companies for the year 2023 by institutional investors and the media. This recognition underscores Sitronix's unwavering dedication to information transparency and market communication, which has garnered high praise from institutional investors.

Sitronix is a global leader in producing small and medium-sized display drivers and sensor chips. Their display driver chip products are

used in the Internet of Things (IoT), industrial control, and automotive sectors. Sitronix has successfully entered various application markets, including wearables, health, education, smart homes, communications, industrial equipment, and offices, with a strong focus on green technology that utilizes zero capacitance and low power consumption. Their subsidiary's sensor chips are at the forefront of mobile phone proximity and ambient light-sensing technology. They have also developed innovative products such as flash frequency detection, electromagnetic wave absorption rate sensing, pressure sensing chips, and high-end gyroscopes. As a result, they are major suppliers of mobile phones, smartwatches, true wireless earphones, and smart home appliances. The company has promising future growth prospects.

## **(II.) Profitability Analysis**

Year		2023 (Note 2)	2022 (Note 2)
Items			
Return on Assets (%)		12.24%	19.86%
Return on Equity (%)		16.46%	28.23%
Ratio in Paid-in Capital (%)	Operating Profit	208.39%	394.75%
	Income before Tax	236.44%	425.05%
Net Profit Rate (%)		14.45%	23.46%
Basic earnings per share (NT\$) (Note 1)		15.50	30.10

Note 1: Calculated by the weighted average number of shares outstanding in the current year.

Note 2: Consolidated financial information using IFRS.

## **(III.) The condition of research and development**

Sitronix is dedicated to developing touch applications in the Internet of Things, industrial control, and automotive fields. We also specialize in developing touch display driver products for smartphones.

The subsidiary is also developing proximity detection and ambient light sensing chips with higher sensitivity to cater to the requirements of high-end customers. Additionally, it focuses on developing ambient light sensing chips explicitly designed for thin watches and proximity detection chips for true wireless earphones. At the same time, we are continuously optimizing products with long-term potential. This includes improvements in frequency hopping detection, advanced gyroscopes, pressure sensor chips, and sensor chips that measure electromagnetic radiation absorption rates.



## **II. Future Outlook**

Sitronix will continue developing new products for specialized applications to meet specific needs and target niche markets. Furthermore, we will expedite product updates to address emerging market demands. Additionally, we will actively explore new markets to ensure our products deliver value to end customers and establish ourselves as a critical partner in their product development journey. We aim to leverage our brand and technological advantages to enhance the company's operations and profitability.

The company is dedicated to corporate governance. We continue to pay attention to the climate risks, intellectual property management system, cyber security management system, regulatory trends, and the impact of geopolitics on the industrial chain. Our management team will focus on creating long-term value to steadily respond to the changes in the overall operating environment.

Once again, we would like to thank you for the long-term interest and support. Sitronix will integrate the wisdom of our team to expand new customers and new application markets, create corporate value, and allow shareholders, customers and employees to share the fruits of our operations.

## Sitronix Technology Corp.

### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's business report, financial statements, and the profit distribution proposal for 2023, in which the financial statements have been audited by Deloitte & Touche Taipei, Taiwan Republic of China with the audit report issued. The above business statement, financial statements, and profit distribution proposal have been verified by the Audit Committee and deemed as appropriate, and reported as above in accordance with the relevant provisions of the Securities Exchange Act and the Company Act for approval.

Sincerely,

2024 Annual Shareholders' Meeting of Sitronix Technology Corp.

Sitronix Technology Corp.

Chairman of the Audit Committee: Cheng-Chieh Dai

March 7, 2024

## Sitronix Technology Corp.

### Roster of Director Candidates

Title	Director	Director	Director	Director	Independent Director	Independent Director	Independent Director	Independent Director
Name	Vincent Mao	Wen-Bin Lin	I-Hsi Cheng	Silicon Power Computer & Communications Inc.	Sheng-Su Lee	Cheng-Chieh Dai	Yu-Nu Lin	Jui-Hsiang Lo
Account Number	11	26	24	61339	44	42917	-	69
Current Position	Chairman & CEO, Sitronix Technology Corp.	Director, Sitronix Technology Corp.	CRO, Sitronix Technology Corp.	Director, Sitronix Technology Corp.	Deputy CEO, Silicon Power Computer & Communications Inc. Chairman & CEO, Sensortek Technology Corp.	General Manager, Accuvision Technology Inc.	Financial Assistant General Manager, Chin-Poon Industrial Co., Ltd.	Chairman, IC PLUS Corp.
Education Background	EMBA, National Taiwan University Graduate Institute of Microelectronics, Cheng Kung University	Electronics, Taipei Tech	Department of Electronics Engineering, National Chiao Tung University	Not applicable	Graduate Institute of Electrical Engineering, National Taiwan University	Graduate Institute of Electrical Engineering, State University of New York at Stony Brook Department of Electrical Engineering, Cheng Kung University	EMBA, National Taiwan University Department of Accounting, National Chengchi University	MBA, National Chengchi University Department of Electronics Engineering, National Chiao Tung University
Professional Experience	General Manager, Sitronix Technology Corp. Market Planning, United Microelectronics Corp.	Director, Gu Ming Investment Co., Ltd.	Deputy Manager, United Microelectronics Corp. Deputy Manager, Design Department, Novatek Microelectronics Corp.	Not applicable	General Manager, Sitronix Technology Corp.	Assistant General Manager, Accusys, Inc. Business Manager, Elitegroup Computer Systems Inc.	Sales Deputy Manager, Taiwan Securities Co., Ltd. Intermediate Auditor, KPMG Taiwan Passing the Accounting Entrance Exam	Manager, Consumer Communications Productions Department, United Microelectronics Corp. Director, Dadi Kid Education Co., Ltd. Independent Director & remuneration committee member, Silicon Integrated Systems
								General Manager, Shin Hwa Clock Industry Co., Ltd. General Manager, Telstar Enterprises Co., Ltd

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders  
Sitronix Technology Corporation

### Opinion

We have audited the accompanying financial statements of Sitronix Technology Corporation (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

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

### Basis for Opinion

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

### Key Audit Matters

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

The key audit matters of the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

#### Recognition of sales revenue

The Company's main source of revenue comes from the sale of goods. For the year ended December 31, 2023, the revenue recognized was NT\$10,322,545 thousand, refer to Notes 4 and 22 for information on the accounting policies of revenue recognition. Such revenue is recognized when the goods are transferred to the customer and the performance obligations are met. The revenue recognition process is that after receiving customers' orders and checking the transaction conditions, the business unit creates a manufacturing notice in the system, and enters into the production schedule after obtaining the approval from the supervisor. As soon as the production is completed, then the production unit would issue packing lists and invoices from the system, and the Company would obtain a signed packing list or the bill of lading from the shipping companies when those shipping companies pick up the goods, then the system would check the shipping-related information, to generate the sales details. The accounting officers would recognize sales revenue according to the sales details.

We have assessed that the customers of the Company whose revenue significantly changed in 2023 are subject to the risk of validity of revenue recognition. Therefore, in order to confirm the validity of the Company's revenue recognition, we performed the following audit procedures on the sales transactions of these customers:

1. We obtained an understanding of the internal controls over revenue recognition, evaluated the design of the key controls, determined that the controls were implemented and tested the operating effectiveness of the controls.
2. We sampled and inspected the existence of the original purchase orders for each sale and were approved appropriately.
3. We inspected product names and quantities on notifications of manufacturing, invoices and goods receipts. We also inspected and confirmed the amounts were consistent.
4. We inspected the reasonableness of the collection of accounts receivable and confirmed the collection amounts, and counterparties were consistent with the revenue recognized.

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 7, 2024

#### Notice to Readers

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

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

# SITRONIX TECHNOLOGY CORPORATION

## PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>				
Cash and cash equivalents (Notes 4, 6 and 30)	\$ 2,959,233	22	\$ 3,172,013	22	Short-term borrowings (Notes 4, 18, 28 and 30)	\$ -	-	\$ 18,119	-
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 30)	439,660	3	311,208	2	Financial liabilities at fair value through profit or loss (Notes 4, 7 and 30)	-	-	35,362	-
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 30)	325,565	2	244,225	2	Trade payables (Note 30)	20,881	-	480,668	3
Financial assets at amortized cost - current (Notes 4, 9, 30 and 32)	859,235	6	766,087	5	Accrued profit sharing bonus to employees' compensation and remuneration of directors (Note 23)	353,661	3	179,646	1
Notes receivable and trade receivables (Notes 4, 10, 22 and 30)	814,119	6	637,606	4	Other payables (Notes 19 and 30)	190,388	1	375,996	3
Notes receivable and trade receivables from related parties (Notes 4, 22, 30 and 31)	28,887	-	34,294	-	Other payables to related parties (Notes 30 and 31)	755,675	6	1,071,845	8
Other receivables (Notes 4, 10 and 30)	96,253	1	86,718	1	Current tax liabilities (Notes 4 and 24)	8,039	-	21,709	-
Other receivables from related parties (Notes 4, 30 and 31)	20,616	-	30,243	-	Lease liabilities - current (Notes 4, 14, 28 and 30)	278,226	2	630,146	4
Inventories (Notes 4, 5 and 11)	919,349	7	2,203,749	15	Other current liabilities (Notes 19, 22 and 30)	26,401	-	25,642	-
Prepayments (Notes 17 and 31)	73,407	1	78,764	1		71,195	1	92,228	1
Other current assets (Notes 4 and 30)	10,686	-	6,917	-	Total current liabilities	2,507,102	19	2,931,361	20
Total current assets	6,547,010	48	7,571,824	52	<b>NON-CURRENT LIABILITIES</b>				
<b>NON-CURRENT ASSETS</b>					Deferred tax liabilities (Notes 4 and 24)	18,353	-	11,697	-
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 30)	207,746	2	240,177	2	Lease liabilities - non-current (Notes 4, 14, 28 and 30)	39,106	-	62,871	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 30)	591,989	4	424,719	3	Net defined benefit liabilities - non-current (Notes 4 and 20)	26,355	-	31,391	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 30)	30,870	-	30,983	-	Other non-current liabilities (Notes 28, 30, 31 and 33)	77,205	1	147,758	1
Investment accounted for using the equity method (Notes 4, 12, 26, 27 and 31)	4,753,834	35	4,613,240	31	Total non-current liabilities	161,019	1	253,717	2
Property, plant and equipment (Notes 4, 13, and 31)	537,565	4	450,432	3	Total liabilities	2,668,121	20	3,185,078	22
Right-of-use assets (Notes 4 and 14)	64,255	-	87,435	1	<b>EQUITY (Notes 4, 21 and 27)</b>				
Investment properties (Notes 4 and 15)	379,751	3	452,069	3	Share capital	1,201,369	9	1,201,369	8
Intangible assets (Notes 4 and 16)	96,142	1	38,282	-	Ordinary shares	1,839,449	13	1,690,740	11
Deferred tax assets - non-current (Notes 4 and 24)	5,771	-	9,191	-	Capital surplus	2,165,105	16	1,801,820	12
Other non-current assets (Notes 4, 17, 30 and 33)	448,376	3	689,672	5	Retained earnings	288,225	2	105,464	1
Total non-current assets	7,116,299	52	7,036,207	48	Legal reserve	5,633,437	41	6,961,331	48
					Unappropriated earnings	8,086,767	59	8,868,615	61
					Total retained earnings				
					Other equity				
					Exchange differences on translating the financial statement of foreign operations	( 2,758)	-	9,186	-
					Unrealized gain (loss) on financial assets at fair value through other comprehensive income	( 73,630)	(1)	( 290,948)	(2)
					Total other equity	( 76,388)	(1)	( 281,762)	(2)
					Treasury shares	( 56,009)	-	( 56,009)	-
					Total equity	10,995,188	80	11,422,953	78
<b>TOTAL</b>	<b>\$ 13,663,309</b>	<b>100</b>	<b>\$ 14,608,031</b>	<b>100</b>	<b>TOTAL</b>	<b>\$ 13,663,309</b>	<b>100</b>	<b>\$ 14,608,031</b>	<b>100</b>

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

# SITRONIX TECHNOLOGY CORPORATION

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

	2023		2022	
	Amount	%	Amount	%
NET REVENUE (Notes 4, 22 and 31)	\$ 10,322,545	100	\$ 11,589,599	100
OPERATING COSTS (Notes 4, 11, 23, 31 and 33)	<u>7,390,421</u>	<u>72</u>	<u>6,576,347</u>	<u>57</u>
GROSS PROFIT	<u>2,932,124</u>	<u>28</u>	<u>5,013,252</u>	<u>43</u>
OPERATING EXPENSES (Notes 4, 20, 23 and 31)				
Selling and marketing expenses	179,892	2	221,654	2
General and administrative expenses	228,622	2	320,269	2
Research and development expenses	<u>1,277,701</u>	<u>12</u>	<u>1,491,072</u>	<u>13</u>
Total operating expenses	<u>1,686,215</u>	<u>16</u>	<u>2,032,995</u>	<u>17</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 4, 23 and 31)	<u>1,486</u>	<u>-</u>	<u>1,458</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>1,247,395</u>	<u>12</u>	<u>2,981,715</u>	<u>26</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 12, 23 and 31)				
Interest incomes	71,320	1	46,694	-
Other incomes	75,832	1	94,057	1
Other gains and losses	45,662	-	110,131	1
Finance costs	( 2,702)	-	( 1,444)	-
Share of profit of subsidiaries	<u>630,613</u>	<u>6</u>	<u>940,642</u>	<u>8</u>
Total non-operating income and expenses	<u>820,725</u>	<u>8</u>	<u>1,190,080</u>	<u>10</u>
INCOME BEFORE INCOME TAX	2,068,120	20	4,171,795	36
INCOME TAX EXPENSE (Notes 4 and 24)	<u>209,779</u>	<u>2</u>	<u>561,630</u>	<u>5</u>
NET INCOME FOR THE YEAR	<u>1,858,341</u>	<u>18</u>	<u>3,610,165</u>	<u>31</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 20 and 21)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	2,764	-	2,065	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	144,214	1	( 98,259)	( 1)
Share of the other comprehensive (loss) income of subsidiaries accounted for using the equity method	65,812	1	( 70,096)	-

(Continued)



# SITRONIX TECHNOLOGY CORPORATION

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

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating the financial statements of foreign operations	(\$ 11,944)	-	\$ 23,272	-
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	839	-	( 695)	-
Share of the other comprehensive (loss) income of subsidiaries accounted for using the equity method	6,398	-	( 9,897)	-
Other comprehensive (loss) income for the year, net of income tax	208,083	2	( 153,610)	( 1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 2,066,424	20	\$ 3,456,555	30
EARNINGS PER SHARE (Note 25)				
Basic	\$ 15.50		\$ 30.10	
Diluted	\$ 15.39		\$ 29.57	

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

(Concluded)

# SITRONIX TECHNOLOGY CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	Share Capital (Notes 4 and 21)		Capital Surplus (Notes 21 and 26)	Retained Earnings (Note 21)			Other Equity (Notes 4 and 21)			
	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	Treasury Share (Note 21)	Total Equity
BALANCE AT 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
Appropriation of 2021 earnings	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	601,513	-	( 601,513)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	( 3,844,380)	-	-	-	( 3,844,380)
Special reserve	-	-	-	-	( 74,759)	74,759	-	-	-	-
The Company's shares held by its subsidiary treated as treasury shares	-	-	-	-	-	-	-	-	( 24,226)	( 24,226)
Other changes in capital surplus	-	-	-	-	-	-	-	-	-	-
Adjustment of capital surplus due to dividends distributed to subsidiaries	-	-	6,456	-	-	-	-	-	-	6,456
Changes in percentage of ownership interests in subsidiaries	-	-	73,373	-	-	-	-	-	-	73,373
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	20,624	-	( 20,624)	-	-
Net income for the year ended December 31, 2022	-	-	-	-	-	3,610,165	-	-	-	3,610,165
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	2,065	23,272	( 178,947)	-	( 153,610)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	3,612,230	23,272	( 178,947)	-	3,456,555
BALANCE AT DECEMBER 31, 2022	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
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)
Other changes in capital surplus	-	-	-	-	-	-	-	-	-	-
Adjustment of capital surplus due to dividends distributed to subsidiaries	-	-	6,141	-	-	-	-	-	-	6,141
Differences between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	120,849	-	-	-	-	113	-	120,962
Changes in percentage of ownership interests in subsidiaries	-	-	21,719	-	-	-	-	-	-	21,719
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	58	-	( 58)	-	-
Net income for the year ended December 31, 2023	-	-	-	-	-	1,858,341	-	-	-	1,858,341
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	2,764	( 11,944)	217,263	-	208,083
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,861,105	( 11,944)	217,263	-	2,066,424
BALANCE AT DECEMBER 31, 2023	120,137	\$ 1,201,369	\$ 1,839,449	\$ 2,165,105	\$ 288,225	\$ 5,633,437	\$ 2,758	\$ 73,630	\$ 56,009	\$ 10,995,188

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

# SITRONIX TECHNOLOGY CORPORATION

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

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,068,120	\$ 4,171,795
Adjustments for:		
Depreciation expense	148,073	130,558
Amortization expense	41,195	21,848
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	( 40,892)	( 4,309)
Finance costs	2,702	1,444
Interest income	( 71,320)	( 46,694)
Dividend income	( 20,730)	( 26,097)
Compensation cost of share-based payment	3,092	12
Share of profits of subsidiaries	( 630,613)	( 940,642)
Loss on disposal of property, plant and equipment	18	2
Write-down of inventories recognized (reversed)	( 90,000)	113,000
Impairment loss recognized on prepayment for purchase	112,000	167,520
Unrealized net loss (gain) on foreign currency exchange	5,533	( 139,301)
Other income	( 17,101)	( 19,009)
Changes in operating assets and liabilities		
Notes receivable and trade receivables	( 212,391)	501,938
Receivables from related parties	5,379	( 5,403)
Other receivables	( 5,677)	( 5,661)
Other receivables from related parties	( 56,034)	( 69,588)
Inventories	1,374,400	( 1,517,927)
Prepayments	5,357	24,548
Other current assets	( 3,769)	( 1,384)
Trade payables	352,931	( 554,762)
Payables to related parties	180,148	( 312,752)
Other payables	( 299,370)	7,476
Other payables to related parties	( 13,670)	14,758
Other current liabilities	( 21,033)	25,606
Net defined benefit liabilities	( 2,272)	( 4,821)
Accrued profit sharing bonus to employees' compensation and remuneration of directors	( 185,608)	( 259,641)
Cash generated from operations	2,628,468	1,272,514
Interest received	67,598	44,970
Interest paid	( 2,725)	( 1,411)
Income tax paid	( 551,623)	( 702,451)
Net cash generated from operating activities	<u>2,141,718</u>	<u>613,622</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	( 103,583)	( 55,112)
Disposal of financial assets at fair value through other comprehensive income	-	90,975
Purchase of financial assets measured at amortized cost	1,354,027	( 1,165,136)
Proceeds from the return of principle of financial assets at amortized cost	( 1,447,175)	1,987,275
Acquisition of financial assets at fair value through profit or loss	( 360,997)	( 370,238)
Disposal of financial assets at fair value through profit or loss	291,387	242,795
Acquisition of investments accounted for using equity method	( 176,845)	( 136,965)

(Continued)

# SITRONIX TECHNOLOGY CORPORATION

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

	<u>2023</u>	<u>2022</u>
Acquisition of property, plant and equipment	(\$ 145,353)	(\$ 160,256)
Proceeds from disposal of property, plant and equipment	-	123
Increase in refundable deposits	( 1,153)	( 970)
Decrease in refundable deposits	118,920	59,335
Decrease in other receivable from related parties	66,028	66,028
Payment of intangible assets	( 105,561)	( 39,263)
Dividends received	<u>739,841</u>	<u>1,552,196</u>
Net cash generated from (used in) investing activities	<u>229,536</u>	<u>2,070,787</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	687,880	73,695
Repayments of short-term borrowings	( 705,925)	( 55,650)
Increase in guarantee deposits	4,827	88,866
Decrease in guarantee deposits	( 69,458)	( 29,686)
Repayment of the principal portion of lease liabilities	( 26,669)	( 25,643)
Cash dividends distributed	( 2,643,011)	( 3,844,380)
Disposal of ownership interests subsidiaries (without losing control)	<u>170,850</u>	<u>-</u>
Net cash used in financing activities	<u>( 2,581,506)</u>	<u>( 3,792,798)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>( 2,528)</u>	<u>94,248</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>( 212,780)</u>	<u>( 1,014,141)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>3,172,013</u>	<u>4,186,154</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 2,959,233</u>	<u>\$ 3,172,013</u>

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

(Concluded)

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders  
Sitronix Technology Corporation

### Opinion

We have audited the accompanying consolidated financial statements of Sitronix Technology Corporation and its subsidiaries (the "Group"), which comprise the balance sheets as of December 31, 2023 and 2022, the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

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

### Basis for Opinion

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

### Key Audit Matters

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

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 is described as follows:

#### Recognition of sales revenue

The Group's main source of revenue comes from the sale of goods. For the year ended December 31, 2023, the revenue recognized was NT\$16,722,891 thousand, refer to Notes 4, 23 and 38 for information on the accounting policies of revenue recognition. Such revenue is recognized when the goods are transferred to the customer and the performance obligations are met. The revenue recognition process is that after receiving customers' orders

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

We have assessed that the customers of the Group whose revenue significantly changed in 2023 are subject to the risk of validity of revenue recognition. Therefore, in order to confirm the validity of the Group's revenue recognition, we performed the following audit procedures on the sales transactions of these customers:

1. We obtained an understanding of the internal controls over revenue recognition, evaluated the design of the key controls, determined that the controls were implemented and tested the operating effectiveness of the controls.
2. We sampled and inspected the existence of the original purchase orders existed for each sale and were appropriately approved.
3. We inspected product names and quantities on notifications of manufacturing, invoices and goods receipts. We also inspected and confirmed the amounts were consistent.
4. We inspected the reasonableness of the collection of accounts receivable and confirmed the collection amounts, and counterparties were consistent with the revenue recognized.

#### **Other Matter**

We have also audited the parent company only financial statements of Sitronix Technology Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 7, 2024

#### Notice to Readers

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

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



**SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

**DECEMBER 31, 2023 AND 2022**

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>				
Cash and cash equivalents (Notes 4, 6 and 32)	\$ 5,499,342	28	\$ 5,661,717	28	Short-term borrowings (Notes 4, 19, 30 and 32)	\$ -	-	\$ 18,119	-
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 32)	623,250	3	424,634	2	Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 32)	27,793	-	37,725	-
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 32)	667,938	3	564,206	3	Notes payable and trade payables (Note 32)	1,974,921	10	992,089	5
Financial assets at amortized cost - current (Notes 4, 9, 32 and 34)	3,133,690	16	2,416,889	12	Accrued profit sharing bonus to employees' compensation and remuneration of directors (Note 24)	330,763	2	611,743	3
Notes receivable and trade receivables (Notes 4, 10, 23 and 32)	1,592,929	8	1,226,520	6	Other payables (Notes 20 and 32)	1,473,734	7	1,853,492	10
Notes receivable and trade receivables from related parties (Notes 4, 23, 32 and 33)	1,782	-	1,469	-	Other payables to related parties (Notes 32 and 33)	353	-	182	-
Other receivables (Notes 4, 10 and 32)	116,874	1	98,837	1	Current tax liabilities (Notes 4 and 25)	562,401	3	984,450	5
Inventories (Notes 4, 5 and 11)	2,660,629	14	4,399,343	22	Lease liabilities - current (Notes 4, 15, 30 and 32)	46,884	-	45,301	-
Prepayments (Notes 18, 33 and 35)	191,653	1	141,882	1	Other current liabilities (Notes 20, 23 and 32)	148,616	1	153,855	1
Other current assets (Notes 4, 18 and 32)	12,915	-	9,941	-	Total current liabilities	4,565,465	23	4,696,956	24
Total current assets	14,501,002	74	14,945,438	75	<b>NON-CURRENT LIABILITIES</b>				
<b>NON-CURRENT ASSETS</b>					Deferred tax liabilities (Notes 4 and 25)	23,329	-	11,697	-
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 32)	302,718	2	435,199	2	Lease liabilities - non-current (Notes 4, 15, 30 and 32)	104,905	1	87,613	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 32)	1,203,010	6	950,102	5	Net defined benefit liabilities - non-current (Notes 4 and 21)	26,355	-	31,391	-
Financial assets at amortized cost - non-current (Notes 4, 9, 32 and 34)	30,870	-	30,983	-	Other non-current liabilities (Notes 30, 32, 33 and 35)	267,797	1	362,810	2
Investments accounted for using the equity method (Note 4 and 13)	5,202	-	-	-	Total non-current liabilities	422,386	2	493,511	2
Property, plant and equipment (Notes 4 and 14)	1,867,934	10	1,801,838	9	Total liabilities	4,987,851	25	5,190,467	26
Right-of-use assets (Notes 4 and 15)	146,749	1	129,164	1	<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 22, 27 and 29)</b>				
Investment properties (Notes 4 and 16)	637,589	3	730,506	4	Share capital	1,201,369	6	1,201,369	6
Goodwill (Note 4 and 28)	7,074	-	-	-	Capital surplus	1,839,449	9	1,690,740	8
Intangible assets (Notes 4 and 17)	195,713	1	76,898	-	Retained earnings	2,165,105	11	1,801,820	9
Deferred tax assets - non-current (Notes 4 and 25)	5,771	-	9,191	-	Special reserve	288,225	1	105,464	-
Other non-current assets (Notes 4, 18, 32 and 35)	679,231	3	847,020	4	Unappropriated earnings	5,633,437	29	6,961,331	35
Total non-current assets	5,081,861	26	5,010,901	25	Total retained earnings	8,086,767	41	8,868,615	44
					Other equity				
					Exchange differences on translating the financial statements of foreign operations	( 2,758)	-	9,186	-
					Unrealized gain (loss) on financial assets at fair value through other comprehensive income	( 73,630)	-	( 290,948)	( 1)
					Total other equity	( 76,388)	-	( 281,762)	( 1)
					Treasury shares	( 56,009)	-	( 56,009)	-
					Total equity attributable to owners of the Company	10,995,188	56	11,422,953	57
					<b>NON-CONTROLLING INTERESTS (Notes 12, 22, 28 and 29)</b>				
					Total equity	3,599,824	19	3,342,919	17
						14,595,012	75	14,765,872	74
<b>TOTAL</b>	<b>\$ 19,582,863</b>	<b>100</b>	<b>\$ 19,956,339</b>	<b>100</b>	<b>TOTAL</b>	<b>\$ 19,582,863</b>	<b>100</b>	<b>\$ 19,956,339</b>	<b>100</b>

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

# SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

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

	2023		2022	
	Amount	%	Amount	%
NET REVENUE (Notes 4, 23, 33 and 38)	\$ 16,722,891	100	\$ 18,027,827	100
OPERATING COSTS (Notes 4, 11, 24 and 35)	<u>11,009,189</u>	<u>66</u>	<u>9,773,803</u>	<u>54</u>
GROSS PROFIT	<u>5,713,702</u>	<u>34</u>	<u>8,254,024</u>	<u>46</u>
OPERATING EXPENSES (Notes 4, 10, 21, 24 and 33)				
Selling and marketing expenses	297,411	2	316,064	1
General and administrative expenses	642,369	4	694,860	4
Research and development expenses	2,271,280	13	2,502,919	14
Expected credit loss (gain)	<u>69</u>	<u>-</u>	<u>(1,004)</u>	<u>-</u>
Total operating expenses	<u>3,211,129</u>	<u>19</u>	<u>3,512,839</u>	<u>19</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 24)	<u>982</u>	<u>-</u>	<u>1,339</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>2,503,555</u>	<u>15</u>	<u>4,742,524</u>	<u>27</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 24 and 33)				
Interest income	155,951	1	97,465	-
Other income	103,222	1	115,334	1
Other gains and losses	84,089	-	155,074	1
Finance costs	<u>(6,252)</u>	<u>-</u>	<u>(3,919)</u>	<u>-</u>
Total non-operating income and expenses	<u>337,010</u>	<u>2</u>	<u>363,954</u>	<u>2</u>
INCOME BEFORE INCOME TAX	2,840,565	17	5,106,478	29
INCOME TAX EXPENSE (Notes 4 and 25)	<u>424,021</u>	<u>2</u>	<u>875,775</u>	<u>5</u>
NET INCOME FOR THE YEAR	<u>2,416,544</u>	<u>15</u>	<u>4,230,703</u>	<u>24</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 21 and 22)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	2,764	-	2,065	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	216,087	1	( 177,014)	( 1)

(Continued)

# SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

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

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of the financial statements of foreign operations	(\$ 12,875)	-	\$ 23,770	-
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	<u>7,490</u>	<u>-</u>	<u>( 9,087)</u>	<u>-</u>
Other comprehensive (loss) income for the year, net of income tax	<u>213,466</u>	<u>1</u>	<u>( 160,266)</u>	<u>( 1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,630,010</u>	<u>16</u>	<u>\$ 4,070,437</u>	<u>23</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,858,341	11	\$ 3,610,165	20
Non-controlling interests	<u>558,203</u>	<u>3</u>	<u>620,538</u>	<u>3</u>
	<u>\$ 2,416,544</u>	<u>14</u>	<u>\$ 4,230,703</u>	<u>23</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,066,424	12	\$ 3,456,555	19
Non-controlling interests	<u>563,586</u>	<u>4</u>	<u>613,882</u>	<u>4</u>
	<u>\$ 2,630,010</u>	<u>16</u>	<u>\$ 4,070,437</u>	<u>23</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 15.50</u>		<u>\$ 30.10</u>	
Diluted	<u>\$ 15.39</u>		<u>\$ 29.57</u>	

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

(Concluded)

# SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

Equity Attributable to Shareholders of the Company (Notes 4, 22 and 29)												
	Share Capital		Retained Earnings			Other Equity			Non-controlling Interests (Notes 12, 22, 28 and 29)	Total Equity		
	Number of Shares (In Thousands)	Amount	Capital Surplus	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			Treasury Share	Total
BALANCE AT 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)	-	-	-	( 3,844,380)	-	( 3,844,380)
Cash dividends distributed by the Company	-	-	-	-	-	( 3,844,380)	-	-	-	-	-	-
Special reserve	-	-	-	-	( 74,759)	74,759	-	-	-	-	-	-
The Company's shares held by its subsidiary treated as treasury shares	-	-	-	-	-	-	-	-	( 24,226)	( 24,226)	( 28,369)	( 52,595)
Other changes in capital surplus	-	-	-	-	-	-	-	-	-	6,456	7,561	14,017
Adjustment of capital surplus due to dividends distributed to subsidiaries	-	-	6,456	-	-	-	-	-	-	73,373	( 73,373)	-
Changes in percentage of ownership interests in subsidiaries	-	-	73,373	-	-	-	-	-	-	-	-	-
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	20,624	-	( 20,624)	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	-	3,610,165	-	-	-	3,610,165	620,538	4,230,703
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	2,065	23,272	( 178,947)	-	( 153,610)	( 6,650)	( 160,266)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	3,612,230	23,272	( 178,947)	-	3,456,555	613,882	4,070,437
Increase in non- controlling interests	-	-	-	-	-	-	-	-	-	-	347,434	347,434
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 966,108)	( 966,108)
BALANCE AT DECEMBER 31, 2022	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	( 182,761)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	( 2,643,011)	-	-	( 2,643,011)	-	-	( 2,643,011)
Other changes in capital surplus	-	-	-	-	-	-	-	-	-	6,141	7,191	13,332
Adjustment of capital surplus due to dividends distributed to subsidiaries	-	-	6,141	-	-	-	-	-	-	120,962	49,888	170,850
Differences between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	120,849	-	-	-	-	113	-	21,719	( 21,719)	-
Changes in percentage of ownership interests in subsidiaries	-	-	21,719	-	-	-	-	-	-	-	-	-
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	58	-	( 58)	-	-	-	-
Net income for the year ended December 31, 2023	-	-	-	-	-	1,858,341	-	-	-	1,858,341	558,203	2,416,544
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	2,764	( 11,944)	217,263	-	208,083	5,383	213,466
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,861,105	( 11,944)	217,263	-	2,066,424	563,586	2,630,010
Increase in non- controlling interests	-	-	-	-	-	-	-	-	-	-	230,246	230,246
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 572,287)	( 572,287)
BALANCE AT DECEMBER 31, 2023	120,137	\$ 1,201,369	\$ 1,839,449	\$ 2,165,105	\$ 288,225	\$ 5,633,437	\$ ( 2,738)	\$ 73,630)	\$ ( 56,009)	\$ 10,995,188	\$ 3,599,824	\$ 14,595,012

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

# SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,840,565	\$ 5,106,478
Adjustments for:		
Depreciation expense	372,085	355,839
Amortization expense	75,416	48,183
Expected credit loss recognized (reversed) on trade receivables	69	( 1,004)
Net loss (gain) on fair value changes of financial assets designated as at fair value through profit or loss	( 55,848)	7,349
Finance costs	6,252	3,919
Interest income	( 155,951)	( 97,465)
Dividend income	( 32,389)	( 43,858)
Compensation costs of share-based payments	7,671	70
Loss on disposal of property, plant and equipment	170	33
Gain on disposal of financial instruments	( 7,180)	-
Write-down of inventories recognized (reversed)	( 83,267)	285,708
Impairment loss recognized on prepayment for purchase	178,142	230,540
Unrealized net loss (gain) on foreign currency exchange	3,569	( 182,911)
Other income	( 5,202)	-
Gain on modification of lease agreements	( 9)	( 215)
Changes in operating assets and liabilities		
Notes receivable and trade receivables	( 424,033)	723,769
Receivables from related parties	( 313)	( 754)
Other receivables	( 5,249)	( 6,198)
Inventories	1,839,531	( 2,234,483)
Prepayments	( 40,618)	79,933
Other current assets	( 1,333)	945
Notes payable and trade payables	1,043,451	( 1,484,301)
Other payables	( 370,863)	38,900
Other payables to related parties	171	( 28)
Other current liabilities	( 36,108)	57,554
Net defined benefit liabilities	( 2,272)	( 4,821)
Accrued profit sharing bonus to employees' compensation and remuneration of directors	( 148,279)	( 203,403)
Cash generated from operations	4,998,178	2,679,779
Interest received	143,966	96,751
Interest paid	( 6,205)	( 3,838)
Income tax paid	( 837,722)	( 1,252,595)
Net cash generated from operating activities	<u>4,298,217</u>	<u>1,520,097</u>

(Continued)

# SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(\$ 222,296)	(\$ 261,334)
Disposal of financial assets at fair value through other comprehensive income	96,002	248,086
Purchase of financial assets measured at amortized cost	( 4,928,236)	( 3,479,338)
Proceeds from the return of principal of financial assets at amortized cost	4,211,435	5,041,169
Acquisitions of financial assets at fair value through profit or loss	( 445,690)	( 542,428)
Disposal of financial assets at fair value through profit or loss	425,471	617,232
Net cash flow from acquisition of subsidiaries	1,157	-
Acquisition of property, plant and equipment	( 460,866)	( 649,183)
Proceeds from disposal of property, plant and equipment	1,500	485
Increase in refundable deposits	( 3,179)	( 3,177)
Decrease in refundable deposits	121,564	60,006
Payment of intangible assets	( 153,669)	( 80,470)
Acquisition of investment properties	-	( 67,996)
Dividends received	<u>32,151</u>	<u>43,858</u>
Net cash (used in) generated from investing activities	<u>( 1,324,656)</u>	<u>926,910</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	800,918	659,582
Repayments of short-term borrowings	( 838,963)	( 697,017)
Repayment of bonds	( 9,000)	-
Increase in guarantee deposits	37,750	109,079
Decrease in guarantee deposits	( 95,791)	( 110,189)
Repayment of the principal portion of lease liabilities	( 49,924)	( 47,210)
Cash dividends distributed	( 2,629,679)	( 3,830,363)
Payments for buy back of treasury shares	-	( 52,595)
Dividends paid to non-controlling interests	( 572,287)	( 966,108)
Disposal of ownership interests in subsidiaries (without losing control)	170,850	-
Increase in non-controlling interests	63,000	58,000
Employee compensation issued in the form of stock that are not vested	<u>1,562</u>	<u>1,729</u>
Net cash used in financing activities	<u>( 3,121,564)</u>	<u>( 4,875,092)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>	<u>( 14,372)</u>	<u>159,294</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>( 162,375)</u>	<u>( 2,268,791)</u>

(Continued)

## SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	<u>2023</u>	<u>2022</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>5,661,717</u>	<u>7,930,508</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,499,342</u>	<u>\$ 5,661,717</u>

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

(Concluded)

# Sitronix Technology Corp.

## 2023 Profit Distribution Proposal

Unit: NT\$

Item	Amount
Unappropriated retained earnings	3,772,273,652
Net profit after tax for current period	1,858,340,711
Disposal of financial assets measured at fair value through other comprehensive income to adjust retained earnings	58,221
Actuarial profit and loss for adjustment of retained earnings	2,763,268
Items other than net profit for the current period are included in the amount of undistributed surplus for the current year	<b>1,861,162,200</b>
Less: appropriated for legal reserve of 10%	(186,116,220)
Add: reversal of special reserve	211,837,943
Retained earnings available for distribution for current period	<b>5,659,157,575</b>
Less: allocated items	
Shareholders' dividends ( <b>cash dividends of N\$12 per share</b> )	(1,441,642,512)
Unappropriated retained earnings	<b>4,217,515,063</b>

Note:

- (I.) The registered number of paid-in shares of the Company on Mar. 7, 2024 was 120,136,876. If the number of shares outstanding of the Company is affected by the change of the share capital, and the dividend ratio of the shareholders is changed and need to be revised, it is proposed that the annual shareholders' meeting shall give the Chairman full authority to handle.
- (II.) According to the provisions of TCS No. 871941343 promulgated by the Ministry of Finance on Apr. 30, 1998, the earnings shall be distributed with the method of individual identification. According to the principle for distribution of earnings of the Company, the earnings of 2023 shall be distributed first. In case of any insufficient section, the distributable earnings accumulated previously shall be distributed in the order of first in first out and the order of year of generation of earnings.



**Sitronix Technology Corp.**  
**Comparison Table for the "Procedures for Acquisition or Disposal of Assets" Before and After Amendment**

Before amendment	After amendment	Description
<p>Article 12: Scope and Amount of Investment of the Subsidiaries</p> <p>The limits on the amount of real property and right-of-use assets thereof or securities acquired by the subsidiaries for non-operational use are as follows:</p> <p>I. The total amount of real property and right-of-use assets for non-operational use shall not exceed the subsidiaries' shareholders' equity as of the date of the most recent audited financial statements.</p> <p>II. Investments in marketable securities shall not exceed the total amount of the subsidiaries' shareholders' equity as of the date of the most recent audited financial statements.</p> <p>III. Investments in individual marketable securities shall not exceed the total amount of the subsidiaries' shareholders' equity as of the date of the most recent audited financial statements.</p>	<p>Article 12: Scope and Amount of Investment of the Subsidiaries</p> <p>The limits on the amount of real property and right-of-use assets thereof or securities acquired by the subsidiaries for non-operational use are as follows:</p> <p>I. The total amount of real property and right-of-use assets for non-operational use shall not exceed the subsidiaries' shareholders' equity as of the date of the most recent audited financial statements.</p> <p>II. Investments in marketable securities shall not exceed the total amount of the subsidiaries' shareholders' equity as of the date of the most recent audited financial statements.</p> <p>III. Investments in individual marketable securities shall not exceed the total amount of the subsidiaries' shareholders' equity as of the date of the most recent audited financial statements.</p> <p>IV. <u>This subsidiary engages in investment activities. Its acquisition of non-operating real estate and usage rights assets is limited to a maximum of twice the shareholders' equity as stated in the most recent audited and certified financial statements of the subsidiary by CPAs. The total amount of securities acquired and the limit for individual securities should not exceed twice the shareholders' equity as stated in the most recent audited and certified financial statements of the subsidiary by CPAs.</u></p>	To meet the operating needs.