

# **Sitronix Technology Corporation**

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

## Sitronix Technology Corporation

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## **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	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 30)	\$ 2,959,233	22	\$ 3,172,013	22
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 30)	439,660	3	311,208	2
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 30)	325,565	2	244,225	2
Financial assets at amortized cost - current (Notes 4, 9, 30 and 32)	859,235	6	766,087	5
Notes receivable and trade receivables (Notes 4, 10, 22 and 30)	814,119	6	637,606	4
Notes receivable and trade receivables from related parties (Notes 4, 22, 30 and 31)	28,887	-	34,294	-
Other receivables (Notes 4, 10 and 30)	96,253	1	86,718	1
Other receivables from related parties (Notes 4, 30 and 31)	20,616	-	30,243	-
Inventories (Notes 4, 5 and 11)	919,349	7	2,203,749	15
Prepayments (Notes 17 and 31)	73,407	1	78,764	1
Other current assets (Notes 4 and 30)	<u>10,686</u>	<u>-</u>	<u>6,917</u>	<u>-</u>
Total current assets	<u>6,547,010</u>	<u>48</u>	<u>7,571,824</u>	<u>52</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 30)	207,746	2	240,177	2
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 30)	591,989	4	424,719	3
Financial assets at amortized cost - non-current (Notes 4, 9 and 30)	30,870	-	30,983	-
Investment accounted for using the equity method (Notes 4, 12, 26, 27 and 31)	4,753,834	35	4,613,240	31
Property, plant and equipment (Notes 4, 13, and 31)	537,565	4	450,432	3
Right-of-use assets (Notes 4 and 14)	64,255	-	87,435	1
Investment properties (Notes 4 and 15)	379,751	3	452,069	3
Intangible assets (Notes 4 and 16)	96,142	1	38,282	-
Deferred tax assets - non-current (Notes 4 and 24)	5,771	-	9,191	-
Other non-current assets (Notes 4, 17, 30 and 33)	<u>448,376</u>	<u>3</u>	<u>689,679</u>	<u>5</u>
Total non-current assets	<u>7,116,299</u>	<u>52</u>	<u>7,036,207</u>	<u>48</u>
TOTAL	<u>\$ 13,663,309</u>	<u>100</u>	<u>\$ 14,608,031</u>	<u>100</u>

LIABILITIES AND EQUITY	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 18, 28 and 30)	\$ -	-	\$ 18,119	-
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 30)	20,881	-	35,362	-
Trade payables (Note 30)	802,636	6	480,668	3
Trade payables to related parties (Notes 30 and 31)	353,661	3	179,646	1
Accrued profit sharing bonus to employees' compensation and remuneration of directors (Note 23)	190,388	1	375,996	3
Other payables (Notes 19 and 30)	755,675	6	1,071,845	8
Other payables to related parties (Notes 30 and 31)	8,039	-	21,709	-
Current tax liabilities (Notes 4 and 24)	278,226	2	630,146	4
Lease liabilities - current (Notes 4, 14, 28 and 30)	26,401	-	25,642	-
Other current liabilities (Notes 19, 22 and 30)	<u>71,195</u>	<u>1</u>	<u>92,228</u>	<u>1</u>
Total current liabilities	<u>2,507,102</u>	<u>19</u>	<u>2,931,361</u>	<u>20</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 24)	18,353	-	11,697	-
Lease liabilities - non-current (Notes 4, 14, 28 and 30)	39,106	-	62,871	1
Net defined benefit liabilities - non-current (Notes 4 and 20)	26,355	-	31,391	-
Other non-current liabilities (Notes 28, 30, 31 and 33)	<u>77,205</u>	<u>1</u>	<u>147,758</u>	<u>1</u>
Total non-current liabilities	<u>161,019</u>	<u>1</u>	<u>253,717</u>	<u>2</u>
Total liabilities	<u>2,668,121</u>	<u>20</u>	<u>3,185,078</u>	<u>22</u>
EQUITY (Notes 4, 21 and 27)				
Share capital				
Ordinary shares	<u>1,201,369</u>	<u>9</u>	<u>1,201,369</u>	<u>8</u>
Capital surplus	<u>1,839,449</u>	<u>13</u>	<u>1,690,740</u>	<u>11</u>
Retained earnings				
Legal reserve	2,165,105	16	1,801,820	12
Special reserve	288,225	2	105,464	1
Unappropriated earnings	<u>5,633,437</u>	<u>41</u>	<u>6,961,331</u>	<u>48</u>
Total retained earnings	<u>8,086,767</u>	<u>59</u>	<u>8,868,615</u>	<u>61</u>
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	<u>10,995,188</u>	<u>80</u>	<u>11,422,953</u>	<u>78</u>
TOTAL	<u>\$ 13,663,309</u>	<u>100</u>	<u>\$ 14,608,031</u>	<u>100</u>

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)	-

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# 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)		Treasury Share (Note 21)	Total Equity
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
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)

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# 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)

# SITRONIX TECHNOLOGY CORPORATION

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

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### 1. GENERAL INFORMATION

Sitronix Technology Corporation (the Company) was incorporated in Taipei City, Taiwan (R.O.C.) 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 market increase 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 parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company's board of directors and authorized for issue on March 7, 2024.

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

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

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

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

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

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

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

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

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

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

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

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

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

As of the date the accompanying parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES INFORMATION**

- a. Statement of compliance

The accompanying parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- b. Basis of preparation

The accompanying parent company only 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.

When preparing the parent company only financial statements, the Company accounted for subsidiaries and associates by using the equity method. In order for the amount of net income, other comprehensive income and equity in the parent company only financial statements to agree with the amount attributable to shareholders of the parent in the consolidated financial statements, the difference in the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using the equity method, share of profits of subsidiaries and share of other comprehensive income of subsidiary in the parent company only financial statements.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

In preparing the parent company only financial statements transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

e. Inventories

Inventories consist of raw materials, work in progress, finished goods and merchandise, and are stated at the lower of cost and net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

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

Subsidiaries are the entities controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. Besides, the Company also recognizes the Company's share of the change in other equity of the subsidiary.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes the reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years .

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

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

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

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

h. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

Depreciation is recognized using the straight-line method.

Investment properties is transferred to property, plant and equipment at the carrying amount on the day when the supply for self-use begins.

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

i. Intangible assets

1) Intangible assets acquired separately

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

2) Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

3) Derecognition of intangible assets

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

j. Impairment of property, plant and equipment, right-of-use assets, investment properties and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.



When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

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

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

Financial assets measured at FVTPL were financial assets mandatorily measured as at FVTPL. Financial assets mandatorily measured at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 30.

ii. Financial assets at amortized cost

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

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

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

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, accounts receivable, other receivables measured at amortized cost, time deposits with original maturities of over 3 months, pledged fixed deposits, and refundable deposits) and are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

A credit-impaired financial asset is one where the issuer or debtor has experienced significant financial difficulties, defaults, the debtor is likely to file for bankruptcy or other financial reorganization, or the active market for the financial asset has disappeared due to financial difficulties.

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

#### iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

#### iv. Investments in equity instruments at FVTOCI

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

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

Dividends are recognized in profit and loss when the Company's right to receive the dividends is established, unless they clearly represent a recovery of part of the cost of the investment, in which case, they are included in OCI.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) and, investments in debt instruments that are measured at FVTOCI.

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

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

c) Derecognition of financial assets

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

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

2) Equity instruments

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. Its carry amounts are calculated based on weighted average by stock types and calculated separately according to the reasons for withdrawal. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

### 3) Financial liabilities

#### a) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

##### i. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss.

Fair value is determined in the manner described in Note 30.

#### b) Derecognition of financial liabilities

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

### 4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including cross currency swaps and foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 “Financial instruments” are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

### 1. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

#### 1) Sale of goods

Revenue from the sale of goods comes from sales of integrated circuits. Sales of integrated circuits are recognized as revenue when the goods are delivered to the customer’s specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence.

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

2) Rendering of services

Service income is recognized when services are provided.

m. Leasing

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

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

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

n. Borrowing costs

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

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

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

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

p. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused tax credits for purchases of machinery, equipment and technology, research and development expenditures and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

### 3) Current and deferred taxes

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

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, 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.

The Company considers the possible impact of inflation and market rate of interest fluctuations when making its critical significant accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates significant and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

### Key Sources of Estimation Uncertainty

#### a. Write-down of inventories

The net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and disposal. The estimation of net realizable value was based on current market conditions and the historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

## 6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Bank deposits	\$ 2,883,161	\$ 2,107,766
Cash on hand	66	76
Cash equivalents	76,006	1,064,171
	<u>\$ 2,959,233</u>	<u>\$ 3,172,013</u>

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Bank deposits	0.001%~5.35%	0.001%~4.20%
Cash equivalents	1.25%	0.58%~2.00%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Financial assets at FVTPL - current</u>		
Mandatorily measured at FVTPL		
Derivative financial assets		
Credit linked notes - linked with convertible bonds	\$ 90,358	\$ -
Foreign exchange forward contracts and foreign exchange swap contracts	27,931	45,493
Equity linked notes	15,466	15,355
Non-derivative financial assets		
Domestic mutual fund investments	214,260	169,214
Convertible bonds	70,409	60,712
Exchangeable bonds	20,760	20,040
Domestic listed shares	476	394
	<u>\$ 439,660</u>	<u>\$ 311,208</u>

### Financial assets at FVTPL - non-current

Mandatorily measured at FVTPL		
Derivative financial assets		
Credit linked notes - linked with convertible bonds	\$ 125,572	\$ 205,409
Non-derivative financial assets		
Limited partnership	82,174	34,768
	<u>\$ 207,746</u>	<u>\$ 240,177</u>

### Financial liabilities at FVTPL - current

Mandatorily measured at FVTPL		
Derivative financial liabilities		
Foreign exchange forward contracts and foreign exchange swap contracts	\$ 20,881	\$ 35,362

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

	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
<u>December 31, 2023</u>			
Sell forward exchange contracts	USD/NTD	2024.1.4~2024.8.14	US\$32,000/NT\$991,994
Buy forward exchange contracts	NTD/USD	2024.1.3~2024.8.16	NT\$1,015,649/US\$33,000



	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (In Thousands)</u>
<u>December 31, 2022</u>			
Sell forward exchange contracts	USD/NTD	2023.1.17~2023.9.26	US\$38,000/NT\$1,137,334
Buy forward exchange contracts	NTD/USD	2023.1.13~2023.9.28	NT\$1,127,203/US\$38,000

The Company entered into foreign exchange forward contracts 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>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Investments in equity instruments at FVTOCI	<u>\$ 325,565</u>	<u>\$ 244,225</u>
<u>Non-current</u>		
Investments in equity instruments at FVTOCI	\$ 480,571	\$ 395,349
Investments in debt instruments at FVTOCI	<u>111,418</u>	<u>29,370</u>
	<u>\$ 591,989</u>	<u>\$ 424,719</u>

### a. Investments in equity instruments at FVTOCI

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Domestic investments		
Listed shares (1) and (2)	<u>\$ 325,565</u>	<u>\$ 244,225</u>
<u>Non-current</u>		
Foreign investments		
Unlisted equity investments (1)	\$ 296,877	\$ 231,506
Domestic investments		
Unlisted equity investments (1) and (4)	<u>183,694</u>	<u>163,843</u>
	<u>\$ 480,571</u>	<u>\$ 395,349</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 Company's strategy of holding these investments for purposes.

2) In 2023 and 2022, the Company acquired domestic listed companies' shares of listed companies at \$22,348 thousand and \$10,035 thousand for strategic investment purposes. The management designated these investments as at FVTOCI.

- 3) In order to manage credit concentration risk, the Company sold its ordinary shares of domestic listed companies in 2022 in the amounts of \$90,975 thousand; and transferred a gain of \$15,047 thousand from other equity to retained earnings.
- 4) During 2022, the Company purchased domestic unlisted equity investments at \$15,000 thousand for strategic investment purposes. The management designated this investment as at FVTOCI, and the Company prepaid \$30,000 thousand for the investment as of December 31, 2020.
- 5) Dividends of \$19,109 thousand and \$26,074 thousand were recognized for the years ended December 31, 2023 and 2022, respectively. Those related to investments held at December 31, 2023 and 2022 were \$ 19,109 thousand and \$23,362 thousand, respectively.

b. Investments in debt instruments at FVTOCI

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Non-Current</u>		
Foreign corporate bonds	\$ 61,680	\$ 29,370
Domestic corporate bonds	49,738	-
	<u>\$ 111,418</u>	<u>\$ 29,370</u>

- 1) In December 2023 and July 2022, the Company purchased foreign corporate bonds respectively for US \$1,000 thousand and US \$1,006 thousand with a coupon rate respectively of 5.800% and 4.125%.
- 2) In 2023, the Company purchased domestic corporate bonds for \$49,999 thousand with a coupon rate of 1.537%.

**9. FINANCIAL ASSETS AT AMORTIZED COST**

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	\$ 829,700	\$ 718,800
Pledged fixed deposits (b)	29,535	47,287
	<u>\$ 859,235</u>	<u>\$ 766,087</u>
<u>Non-current</u>		
Foreign investments		
Foreign corporate bonds (c)	<u>\$ 30,870</u>	<u>\$ 30,983</u>

- a. The interest rates for time deposits with original maturities of more than 3 months ranged from 1.45%~1.53% and 1.255%~1.60% per annum as of December 31, 2023 and 2022, respectively.
- b. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

- c. In August 2016, the Company 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**

	December 31	
	2023	2022
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ -	\$ 79
Less: Allowance for impairment loss	-	-
	<u>\$ -</u>	<u>\$ 79</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 831,691	\$ 655,376
Less: Allowance for impairment loss	( 17,572 )	( 17,849 )
	<u>\$ 814,119</u>	<u>\$ 637,527</u>
<u>Other receivables</u>		
Income tax refund receivable	\$ 84,951	\$ 73,875
Others	11,302	12,843
	<u>\$ 96,253</u>	<u>\$ 86,718</u>

The credit period of sales of goods was 10~115 days. No interest was charged on trade receivables. The Company 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 Company uses other publicly available financial information or its own historical trading records to rate its major customers. The Company'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 Company annually.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix 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 Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is 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 Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

## December 31, 2023

	Not Past Due	Up to 60 Days	61 to 90 Days	Over 90 Days	Total
Gross carrying amount	\$ 827,333	\$ 2	\$ -	\$ 4,356	\$ 831,691
Loss allowance (Lifetime ECLs)	( 13,214 )	( 2 )	-	( 4,356 )	( 17,572 )
Amortized cost	<u>\$ 814,119</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 814,119</u>

## December 31, 2022

	Not Past Due	Up to 60 Days	61 to 90 Days	Over 90 Days	Total
Gross carrying amount	\$ 650,740	\$ 2	\$ -	\$ 4,634	\$ 655,376
Loss allowance (Lifetime ECLs)	( 13,213 )	( 2 )	-	( 4,634 )	( 17,849 )
Amortized cost	<u>\$ 637,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 637,527</u>

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 17,849	\$ 17,849
Amounts written off	( 277 )	-
Balance at December 31	<u>\$ 17,572</u>	<u>\$ 17,849</u>

Compared with January 1, 2023, the total carrying amount of trade receivables as of December 31, 2023 increased by a net amount of \$176,315 thousand, and the loss allowance decreased by \$277 thousand; compared with January 1, 2022, the total carrying amount of trade receivables as of December 31, 2022 decreased by a net amount of \$504,265 thousand, and the loss allowance did not change.

## 11. INVENTORIES

	December 31	
	2023	2022
Finished goods	\$ 196,451	\$ 589,104
Work in progress	630,206	1,298,800
Raw materials	92,674	315,819
Merchandise	18	26
	<u>\$ 919,349</u>	<u>\$ 2,203,749</u>

Cost of goods sold is defined as follows:

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	\$ 7,401,683	\$ 6,335,412
Allowance for inventory valuation loss (reversal of write-down inventories) (a)	( 90,000 )	113,000
Impairment loss on prepayment for purchase	112,000	167,520
Others	( 33,262 )	( 39,585 )
	<u>\$ 7,390,421</u>	<u>\$ 6,576,347</u>

- a. The reversal of the inventories to net receivable value was due to the circumstances that caused the net realizable value of inventories to be lower than its cost no longer existed.

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
<b><u>Investments in subsidiaries</u></b>		
Sensortek Technology Corp.	\$ 1,959,092	\$ 1,964,628
Forcelead Technology Corp.	1,021,604	1,112,835
Sitronix Investment Corp.	280,473	224,163
HeFei Sitronix Co., Ltd.	449,489	415,216
mCore Technology Corp.	113,139	118,911
Sync-Tech System Corp.	359,425	319,695
Sitronix Holding International Ltd.	217,255	204,268
INFSitronix Technology Corp.	52,932	68,082
Sitronix Technology (Shenzhen) Co., Ltd.	28,514	27,022
HeFei Sitronix Technology Co., Ltd.	139,304	128,300
ezGreen Inc.	45,694	9,541
HeFei ezGreen Co., Ltd.	10,906	20,579
Seer Microelectronics, Inc.	76,007	-
	<u>\$ 4,753,834</u>	<u>\$ 4,613,240</u>
Name of Subsidiaries	Proportion of Ownership and Voting Rights	
	December 31	
	2023	2022
Sensortek Technology Corp.	46.06%	46.06%
Forcelead Technology Corp.	61.01%	70.76%
Sitronix Investment Corp.	100.00%	100.00%
HeFei Sitronix Co., Ltd.	90.00%	90.00%
mCore Technology Corp.	90.73%	90.73%
Sync-Tech System Corp.	42.19%	42.86%
Sitronix Holding International Ltd.	100.00%	100.00%
INFSitronix Technology Corp.	58.42%	58.42%
Sitronix Technology (Shenzhen) Co., Ltd.	100.00%	100.00%
HeFei Sitronix Technology Co., Ltd.	100.00%	100.00%
ezGreen Inc.	100.00%	100.00%
HeFei ezGreen Co., Ltd.	100.00%	100.00%
Seer Microelectronics, Inc.	72.66%	-

As of December 31, 2023, and 2022, the Company's shareholding ratio of Sensortek Technology Corp. were both 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 Company 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 December 31, 2023, and 2022, the Company's shareholding ratio of Sync-Tech System Corp. were 42.19% and 42.86%, 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 Company was judged to have the substantive ability to dominate the relevant activities of Sync-Tech System Corp.,

therefore, it is classified as a subsidiary.

In 2023, the Company acquired Seer Microelectronics, Inc. by subscribing to its newly issued shares through capital increase. As a result, the company has accumulated a 72.66% equity stake therefore, it is classified as a subsidiary. For more information, please refer to Note 26.

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

### 13. PROPERTY, PLANT AND EQUIPMENT

	<u>Freehold Land</u>	<u>Buildings</u>	<u>Machinery Equipment</u>	<u>Test Equipment</u>	<u>Office Equipment</u>	<u>Total</u>
<u>Cost</u>						
Balance at January 1, 2022	\$ 67,674	\$ 269,099	\$ 57,470	\$ 429,260	\$ 3,198	\$ 826,701
Additions	-	5,029	6,416	143,546	1,486	156,477
Disposals	-	-	( 2,882 )	( 152,594 )	( 19 )	( 155,495 )
Balance at December 31, 2022	<u>\$ 67,674</u>	<u>\$ 274,128</u>	<u>\$ 61,004</u>	<u>\$ 420,212</u>	<u>\$ 4,665</u>	<u>\$ 827,683</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2022	\$ -	\$ 107,873	\$ 45,469	\$ 280,110	\$ 2,718	\$ 436,170
Additions	-	5,728	6,409	84,034	280	96,451
Disposals	-	-	( 2,787 )	( 152,564 )	( 19 )	( 155,370 )
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 113,601</u>	<u>\$ 49,091</u>	<u>\$ 211,580</u>	<u>\$ 2,979</u>	<u>\$ 377,251</u>
Carrying amount at December 31, 2022	<u>\$ 67,674</u>	<u>\$ 160,527</u>	<u>\$ 11,913</u>	<u>\$ 208,632</u>	<u>\$ 1,686</u>	<u>\$ 450,432</u>
	<u>Freehold Land</u>	<u>Buildings</u>	<u>Machinery Equipment</u>	<u>Test Equipment</u>	<u>Office Equipment</u>	<u>Total</u>
<u>Cost</u>						
Balance at January 1, 2023	\$ 67,674	\$ 274,128	\$ 61,004	\$ 420,212	\$ 4,665	\$ 827,683
Additions	-	11,599	21,050	102,606	808	136,063
Disposals	-	( 56 )	( 4,669 )	( 15,954 )	-	( 20,679 )
Reclassification	22,903	48,350	-	-	-	71,253
Balance at December 31, 2023	<u>\$ 90,577</u>	<u>\$ 334,021</u>	<u>\$ 77,385</u>	<u>\$ 506,864</u>	<u>\$ 5,473</u>	<u>\$ 1,014,320</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2023	\$ -	\$ 113,601	\$ 49,091	\$ 211,580	\$ 2,979	\$ 377,251
Additions	-	8,253	8,404	97,105	478	114,240
Disposals	-	( 56 )	( 4,651 )	( 15,954 )	-	( 20,661 )
Reclassification	-	5,925	-	-	-	5,925
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 127,723</u>	<u>\$ 52,844</u>	<u>\$ 292,731</u>	<u>\$ 3,457</u>	<u>\$ 476,755</u>
Carrying amount at December 31, 2023	<u>\$ 90,577</u>	<u>\$ 206,298</u>	<u>\$ 24,541</u>	<u>\$ 214,133</u>	<u>\$ 2,016</u>	<u>\$ 537,565</u>

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

Buildings	
Main buildings	50 years
Renovation construction / Lease improvement	5 years
Machinery equipment	3~4 years
Test equipment	3~6 years
Office equipment	5~6 years

#### 14. LEASE ARRANGEMENT

##### a. Right-of-use assets

	December 31	
	2023	2022
<u>Carrying amounts</u>		
Buildings	\$ 60,550	\$ 85,480
Office equipment	3,705	1,955
	<u>\$ 64,255</u>	<u>\$ 87,435</u>
	<u>For the Year Ended December 31</u>	
	2023	2022
Additions to right-of-use assets	<u>\$ 3,663</u>	<u>\$ 9,491</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 24,930	\$ 24,518
Office equipment	1,913	1,730
	<u>\$ 26,843</u>	<u>\$ 26,248</u>

Except for the additions and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Company's right-of-use assets in 2023 and 2022.

##### b. Lease liabilities

	December 31	
	2023	2022
<u>Carrying amounts</u>		
Current	<u>\$ 26,401</u>	<u>\$ 25,642</u>
Non-current	<u>\$ 39,106</u>	<u>\$ 62,871</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	1.345%	1.345%
Office equipment	1.720%~2.115%	1.345%~1.720%

c. Material lease activities and terms

The Company leases various assets including buildings and office equipment with lease terms between 2~5 years. The leased buildings includes factory and offices, and the leased office equipment includes rental cars. The Company 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.

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases	\$ 2,423	\$ 1,438
Expenses relating to low-value asset leases	\$ 65	\$ 45
Total cash outflow for leases	\$ 30,217	\$ 28,440

The Company's leases of certain parking spaces qualify as short-term leases and leases of machinery qualify as low-value asset leases. The Company 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

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1 and December 31, 2022	\$ 144,860	\$ 399,527	\$ 544,387
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ -	\$ 84,459	\$ 84,459
Depreciation expense	-	7,859	7,859
Balance at December 31, 2022	\$ -	\$ 92,318	\$ 92,318
Carrying amount at December 31, 2022	\$ 144,860	\$ 307,209	\$ 452,069
<u>Cost</u>			
Balance at January 1, 2023	\$ 144,860	\$ 399,527	\$ 544,387
Reclassification	( 22,903 )	( 48,350 )	( 71,253 )
Balance at December 31, 2023	\$ 121,957	\$ 351,177	\$ 473,134
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 92,318	\$ 92,318
Additions	-	6,990	6,990
Reclassification	-	( 5,925 )	( 5,925 )
Balance at December 31, 2023	\$ -	\$ 93,383	\$ 93,383
Carrying amount at December 31, 2023	\$ 121,957	\$ 257,794	\$ 379,751

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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Year 1	\$ 22,579	\$ 18,154
Year 2	21,578	2,149
Year 3	19,430	2,148
More than 3 years	38,860	-
	<u>\$ 102,447</u>	<u>\$ 22,451</u>

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

The determination of fair values of the Company's investment properties was performed by independent qualified professional values of the China Real Estate Appraising Firm using Level 3 inputs. The evaluation is based on the cost method and the weighted average of the income method and the market comparison method. The significant unobservable input used include the discount rate, and the appraised fair values are as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Fair value	<u>\$ 636,276</u>	<u>\$ 715,997</u>

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

## 16. INTANGIBLE ASSETS

	<b>Royalty</b>	<b>Computer Software</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2022	\$ 85,126	\$ 88,756	\$ 173,882
Additions	3,038	35,572	38,610
Disposals	-	( 1,146 )	( 1,146 )
Balance at December 31, 2022	<u>\$ 88,164</u>	<u>\$ 123,182</u>	<u>\$ 211,346</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2022	\$ 83,108	\$ 69,254	\$ 152,362
Amortization expenses	1,900	19,948	21,848
Disposals	-	( 1,146 )	( 1,146 )
Balance at December 31, 2022	<u>\$ 85,008</u>	<u>\$ 88,056</u>	<u>\$ 173,064</u>
Carrying amount at December 31, 2022	<u>\$ 3,156</u>	<u>\$ 35,126</u>	<u>\$ 38,282</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 88,164	\$ 123,182	\$ 211,346
Additions	12,474	86,581	99,055
Balance at December 31, 2023	<u>\$ 100,638</u>	<u>\$ 209,763</u>	<u>\$ 310,401</u>

(Continued)

	<b>Royalty</b>	<b>Computer Software</b>	<b>Total</b>
<u>Accumulated amortization</u>			
Balance at January 1, 2023	\$ 85,008	\$ 88,056	\$ 173,064
Amortization expenses	3,028	38,167	41,195
Balance at December 31, 2023	<u>\$ 88,036</u>	<u>\$ 126,223</u>	<u>\$ 214,259</u>
Carrying amount at December 31, 2023	<u>\$ 12,602</u>	<u>\$ 83,540</u>	<u>\$ 96,142</u>
			(Concluded)

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

Royalty	2~8 years
Computer software	2~6 years

## 17. OTHER ASSETS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Current</u>		
Prepayments		
Input tax and offset against business tax	\$ 50,425	\$ 33,375
Prepayments	10,887	22,866
Prepaid probe cards	12,095	22,523
	<u>\$ 73,407</u>	<u>\$ 78,764</u>
<u>Non-current</u>		
Other non-current assets		
Refundable deposits (b)	\$ 432,954	\$ 562,203
Long-term prepayment for purchase (a)	-	112,001
Prepayments for equipment	15,422	15,475
	<u>\$ 448,376</u>	<u>\$ 689,679</u>

a. The Company has signed purchase agreements with fabs, and the prepayment has been made in advance according to the agreements, please refer to Note 33 for the details.

b. Please refer to Note 33 for details of the contract terms related to the capacity guarantee agreements.

## 18. SHORT-TERM BORROWINGS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Unsecured borrowings</u>		
Bank loans	<u>\$ -</u>	<u>\$ 18,119</u>

The range of weighted average effective interest rates on bank loans was 4.968% as of December 31, 2022.

## 19. OTHER LIABILITIES

	December 31	
	2023	2022
<u>Current</u>		
Other payables		
Payables for salaries and bonuses	\$ 523,256	\$ 848,772
Payables for equipment	7,745	17,226
Payables for research	14,225	11,130
Others	210,449	194,717
	<u>\$ 755,675</u>	<u>\$ 1,071,845</u>
	December 31	
	2023	2022
Other liabilities		
Contract liabilities	\$ 65,193	\$ 86,174
Others	5,981	5,691
Temporary receipts	21	363
	<u>\$ 71,195</u>	<u>\$ 92,228</u>

## 20. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

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

### b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts based on the actuarial report of the Company's defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	\$ 93,558	\$ 94,582
Fair value of the plan assets	( 67,203 )	( 63,191 )
Net defined benefit liabilities	<u>\$ 26,355</u>	<u>\$ 31,391</u>

Movements in net defined benefit liabilities were as follows:

	<b>Present Value of Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2022	\$ 94,994	(\$ 56,717 )	\$ 38,277
Service cost			
(Gain) Loss on settlements	( 626 )	-	( 626 )
Net interest expense (income)	660	( 401 )	259
Recognized in profit or loss	34	( 401 )	( 367 )
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	( 4,312 )	( 4,312 )
Actuarial loss - change in demographic assumptions	42	-	42
Actuarial gain - change in financial assumptions	( 5,770 )	-	( 5,770 )
Actuarial loss - experience adjustments	7,975	-	7,975
Recognized in other comprehensive income (loss)	2,247	( 4,312 )	( 2,065 )
Contributions from the employer	-	( 2,603 )	( 2,603 )
Benefit payments	( 2,693 )	842	( 1,851 )
Balance at December 31, 2022	94,582	( 63,191 )	31,391
Net interest expense (income)	1,220	( 829 )	391
Recognized in profit or loss	1,220	( 829 )	391
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	( 520 )	( 520 )
Actuarial loss - change in demographic assumptions	2	-	2
Actuarial loss - change in financial assumptions	774	-	774
Actuarial gain - experience adjustments	( 3,020 )	-	( 3,020 )
Recognized in other comprehensive income (loss)	( 2,244 )	( 520 )	( 2,764 )
Contributions from the employer	-	( 2,663 )	( 2,663 )
Balance at December 31, 2023	\$ 93,558	(\$ 67,203 )	\$ 26,355

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Selling and marketing expenses	\$ 47	\$ 26
General and administrative expenses	101	56
Research and development expenses	243	( 449 )
	\$ 391	( \$ 367 )

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

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rate	1.20%	1.30%
Expected rate of salary increase	4.00%	4.00%

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rate		
0.25% increase	(\$ 1,916)	(\$ 2,253)
0.25% decrease	\$ 1,984	\$ 2,333
Expected rate of salary increase		
0.25% increase	\$ 1,925	\$ 2,266
0.25% decrease	(\$ 1,870)	(\$ 2,200)

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Expected contributions to the plan for the next year	\$ 2,470	\$ 2,607
Average duration of the defined benefit obligation	9 years	9 years

## 21. EQUITY

### a. Share capital

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

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

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

### b. Capital surplus

	December 31	
	2023	2022
<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
Conversion of bonds	335,041	335,041
Treasury share transactions	14,255	8,114
Differences between the consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	120,849	-
<u>May be used to offset a deficit only</u>		
Changes in percentage of ownership interests in subsidiaries (2)	967,309	945,590
	<u>\$ 1,839,449</u>	<u>\$ 1,690,740</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 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 Article of Incorporation (the "Article"), 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:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Legal reserve	\$ 363,285	\$ 601,513
Appropriations (Reversals) special reserve	\$ 182,761	( \$ 74,759 )
Cash dividends	\$ 2,643,011	\$ 3,844,380
Cash dividends per share (NT\$)	\$ 22	\$ 32

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.

The appropriation of earnings for 2023 had been proposed by the Company's board of directors on March 7, 2024. The appropriation and dividends per share were as follows:

	<b>For the Year Ended December 31, 2023</b>
Legal reserve	\$ 186,117
Reversal special reserve	( \$ 211,838 )
Cash dividends	\$ 1,441,642
Cash dividends per share (NT\$)	\$ 12

The aforementioned distribution of cash dividends has been resolved by the board of directors, and the rest has yet to be resolved at the shareholders' meeting to be held on June 20, 2024.

d. Special reserve

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 105,464	\$ 180,223
Appropriations (Reversals) in respect of		
Debits to other equity items	182,761	( 74,759 )
Balance at December 31	<u>\$ 288,225</u>	<u>\$ 105,464</u>

e. Other equity items

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 9,186	( \$ 14,086 )
Share from investments accounted for using the equity method	( 11,944 )	23,272
Balance at December 31	<u>( \$ 2,758 )</u>	<u>\$ 9,186</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	( \$ 290,948 )	( \$ 91,377 )
Recognized for the year		
Unrealized gain (loss) - debt instruments	839	( 695 )
Unrealized gain (loss) - equity instruments	144,214	( 98,259 )
Share from investments accounted for using the equity method	72,210	( 79,993 )
Cumulative unrealized (gain) loss of equity instruments transferred to retained earnings due to disposal	( 58 )	( 20,624 )
Disposal of subsidiaries' partial equity	113	-
Balance at December 31	<u>( \$ 73,630 )</u>	<u>( \$ 290,948 )</u>

f. Treasury shares

<b>The Company's shares held by its subsidiary</b>	<b>Number of Shares</b>
Number of shares at January 1, 2023 and December 31, 2023	<u>606,000</u>
Number of shares at January 1, 2022	329,000
Increase during the year	<u>277,000</u>
Number of shares at December 31, 2022	<u>606,000</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>December 31, 2023</u>			
Sensortek Technology Corp.	606,000	\$ 168,468	\$ 168,468
<u>December 31, 2022</u>			
Sensortek Technology Corp.	606,000	\$ 107,565	\$ 107,565

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 Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Integrated circuits	\$ 10,176,433	\$ 11,430,072
Others	146,112	159,527
	<u>\$ 10,322,545</u>	<u>\$ 11,589,599</u>
<u>Primary geographical markets</u>	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Hong Kong	\$ 8,052,812	\$ 9,395,705
Vietnam	988,167	999,340
South Korea	447,273	317,785
Taiwan	279,792	493,250
India	234,887	87,772
Others	319,614	295,747
	<u>\$ 10,322,545</u>	<u>\$ 11,589,599</u>

The basis of calculation of the Company'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>December 31</u>		<u>January 1,</u>
	<u>2023</u>	<u>2022</u>	<u>2022</u>
Trade receivables (Note 10)	\$ 814,119	\$ 670,871	\$ 1,141,792
Trade receivables from related parties (Note 31)	28,887	34,294	28,891
	<u>\$ 843,006</u>	<u>\$ 705,165</u>	<u>\$ 1,170,683</u>
Contract liabilities - current (Note 19)			
Sales of goods	<u>\$ 65,193</u>	<u>\$ 86,174</u>	<u>\$ 61,627</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>From contract liabilities at the start of the year</u>		
Sales of goods	\$ 80,338	\$ 54,984

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Gain on sublease of right-of-use assets	\$ 1,504	\$ 1,460
Loss on disposal of property, plant and equipment	( 18 )	( 2 )
	\$ 1,486	\$ 1,458

### b. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Financial assets at amortized cost	\$ 61,464	\$ 41,393
Investments in debt instruments at FVTOCI	1,757	580
Financial asset at FVTPL	7,645	4,400
Others	454	321
	\$ 71,320	\$ 46,694

### c. Other income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Rental income	\$ 23,294	\$ 24,286
Dividend income	20,730	26,097
Others	31,808	43,674
	\$ 75,832	\$ 94,057

### d. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Net foreign exchange gains	\$ 11,760	\$ 113,681
Depreciation of investment property	( 6,990 )	( 7,859 )
Gain on financial assets designated as at FVTPL	40,892	4,309
	\$ 45,662	\$ 110,131

e. Finance costs

**For the Year Ended December 31**

	<b>2023</b>	<b>2022</b>
Interest on loans	\$ 1,591	\$ 90
Interest on lease liabilities	1,060	1,314
Other interest expenses	51	40
	<u>\$ 2,702</u>	<u>\$ 1,444</u>

f. Depreciation and amortization

**For the Year Ended December 31**

	<b>2023</b>	<b>2022</b>
Property, plant and equipment	\$ 114,240	\$ 96,451
Investment properties	6,990	7,859
Right-of-use assets	26,843	26,248
Intangible assets	41,195	21,848
	<u>\$ 189,268</u>	<u>\$ 152,406</u>

An analysis of depreciation by function

Operating expenses	\$ 121,460	\$ 105,278
Operating costs	19,623	17,421
Depreciation of investment property	6,990	7,859
	<u>\$ 148,073</u>	<u>\$ 130,558</u>

An analysis of amortization by function

Operating expenses	<u>\$ 41,195</u>	<u>\$ 21,848</u>
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g. Employee benefits expense

**For the Year Ended December 31**

	<b>2023</b>	<b>2022</b>
Short-term benefits	\$ 1,036,093	\$ 1,444,770
Post-employment benefits		
Defined contribution plans	27,900	26,070
Defined benefit plans (Note 20)	391	( 367 )
Share-based payments Equity-settled	3,092	12
	<u>\$ 1,067,476</u>	<u>\$ 1,470,485</u>

An analysis of employee benefits expense by function

Operating expenses	<u>\$ 1,067,476</u>	<u>\$ 1,470,485</u>
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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 years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 7, 2024 and March 16, 2023 respectively, are as follows:

Amount

	<b>For the Year Ended December 31</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Cash</b>	<b>Shares</b>	<b>Cash</b>	<b>Shares</b>
Employees' compensation	\$ 165,555	\$ -	\$ 317,180	\$ -
Remuneration of directors	24,833	-	58,816	-

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

There is no difference between the actual amounts of employees' compensation and remuneration of directors resolved by the Board of Directors and the amount recognized in the parent company only financial statements for the years ended December 31, 2023 and 2022.

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

i. Gains or losses on foreign currency exchange

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Foreign exchange gains	\$ 195,024	\$ 446,290
Foreign exchange losses	( 183,264 )	( 332,609 )
Net benefit	\$ 11,760	\$ 113,681

**24. INCOME TAXES RELATING TO CONTINUING OPERATIONS**

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current year	\$ 182,854	\$ 536,542
Income tax on unappropriated earnings	22,189	82,200
Adjustments for prior years	( 5,340 )	( 61,905 )
	199,703	556,837
Deferred tax		
In respect of the current year	10,076	4,793
Income tax expense recognized in profit or loss	\$ 209,779	\$ 561,630

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit before tax	\$ 2,068,120	\$ 4,171,795

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Income tax calculated at the statutory rate	\$ 413,624	\$ 834,359
Deductible expenses in determining taxable income	( 108,999 )	( 191,870 )
Non-deductible expenses in determining taxable income	-	461
Income tax on unappropriated earnings	22,189	82,200
Impact of the temporary differences	( 11,885 )	47,534
Effects of investment credits	( 99,810 )	( 149,149 )
Adjustments for prior years' tax	( 5,340 )	( 61,905 )
Income tax expense recognized in profit or loss	<u>\$ 209,779</u>	<u>\$ 561,630</u>
		(Concluded)

b. Current tax liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax liabilities		
Income tax payable	<u>\$ 278,226</u>	<u>\$ 630,146</u>

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

<b>Deferred Tax Assets</b>	<b>January 1, 2023</b>	<b>Recognized in Profit or Loss</b>	<b>December 31, 2023</b>
Temporary differences	<u>\$ 9,191</u>	<u>( \$ 3,420 )</u>	<u>\$ 5,771</u>

<b>Deferred Tax Liabilities</b>	<b>January 1, 2023</b>	<b>Recognized in Profit or Loss</b>	<b>December 31, 2023</b>
Temporary differences	<u>\$ 11,697</u>	<u>\$ 6,656</u>	<u>\$ 18,353</u>

For the year ended December 31, 2022

<b>Deferred Tax Assets</b>	<b>January 1, 2022</b>	<b>Recognized in Profit or Loss</b>	<b>December 31, 2022</b>
Temporary differences	<u>\$ 12,993</u>	<u>( \$ 3,802 )</u>	<u>\$ 9,191</u>

<b>Deferred Tax Liabilities</b>	<b>January 1, 2022</b>	<b>Recognized in Profit or Loss</b>	<b>December 31, 2022</b>
Temporary differences	<u>\$ 10,706</u>	<u>\$ 991</u>	<u>\$ 11,697</u>

d. Deductible temporary differences for which no deferred assets have been recognized in the parent company only balance sheets

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Deductible temporary differences	\$ 275,439	\$ 332,956

- e. Information on unrecognized deferred income tax liabilities associated with investments

As of December 31, 2023 and 2022, there were no recognized taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities were recognized.

- f. Income tax assessments

The Company's tax returns through 2021 have been assessed by the tax authorities.

## 25. EARNINGS PER SHARE

	<b>Unit: NT\$ Per Share</b>	
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Basic earnings per share	\$ 15.50	\$ 30.10
Diluted earnings per share	\$ 15.39	\$ 29.57

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 Year

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Net income for the year	\$ 1,858,341	\$ 3,610,165
Earnings used in the computation of basic earnings per share	\$ 1,858,341	\$ 3,610,165
Effect of potentially dilutive ordinary shares:		
Employee s' compensation	-	-
Earnings used in the computation of diluted earnings per share	\$ 1,858,341	\$ 3,610,165

### Shares

	<b>Unit: in thousands of shares</b>	
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	119,858	119,928
Effect of potentially dilutive ordinary shares:		
Employees' compensation	881	2,164
Weighted average number of ordinary shares used in the computation of diluted earnings per share	120,739	122,092

Since the Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company assumes that 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. ACQUISITION OF INVESTMENT SUBSIDIARIES – ACQUISITION OF CONTROL OVER A BUSINESS

	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Seer Microelectronics, Inc.	High performance sensor IC with single photon design and applications	July 5, 2023	56.54	\$ <u>40,000</u>

Seer Microelectronics, Inc. were acquired on July 5, 2023 in order to continue the expansion of the Company's activities in scale and product mix. For the description of the acquisition of Seer Microelectronics, Inc., please refer to Note 28 of the Company's consolidated financial statements for the year ended December 31, 2023.

## 27. PARTIAL ACQUISITION OR DISPOSAL OF INVESTMENT SUBSIDIARIES - WITHOUT LOSS OF CONTROL

On August 6, 2023, the Company did not participate in the cash capital increase of Seer Microelectronics, Inc. in proportion to its existing ownership, the Company's shareholding percentage increased from 56.54% to 72.66%.

On December 14, 2023, due to the Company sold part of the Forcelead Technology Corp.'s shares, the Company's shareholding percentage decreased from 64.00% to 61.01%.

Due to the distribution of employees' compensation in the form of shares by Forcelead Technology Corp's on July 20, 2023, the Company's shareholding percentage decreased from 68.76% to 64.00%.

On April 20, 2023, due to the Forcelead Technology Corp.'s employees execute options to issue new shares, the Company'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 Company'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 Company'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 16, 2023, the Company's shareholding percentage decreased from 42.86% to 42.19%.

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

The above transactions were accounted for as equity transactions, since the Company did not cease to have control over these subsidiaries. Description of the partial acquisition of subsidiaries, please refer to Note 29 of the Company's consolidated financial statements for the year ended December 31, 2023.

## 28. CASH FLOW INFORMATION

### a. Changes in liabilities arising from financing activities

For the Year Ended December 31, 2023

	January 1, 2023	Cash Flows	Non-cash Changes Foreign Exchange Movement	New Leases	December 31, 2023
Short-term borrowings	\$ 18,119	(\$ 18,045)	(\$ 74)	\$ -	\$ -
Lease liabilities	88,513	( 26,669)	-	3,663	65,507
					(Continued)

	January 1, 2023	Cash Flows	Non-cash Changes		December 31, 2023
			Foreign Exchange Movement	New Leases	
Guarantee deposits received	142,563	( 64,631)	( 5,927)	-	72,005
	<u>\$ 249,195</u>	<u>(\$ 109,345)</u>	<u>(\$ 6,001)</u>	<u>\$ 3,663</u>	<u>\$ 137,512</u>
					(Concluded)

#### For the Year Ended December 31, 2022

	January 1, 2022	Cash Flows	Non-cash Changes		December 31, 2022
			Foreign Exchange Movement	New Leases	
Short-term borrowings	\$ -	\$ 18,045	\$ 74	\$ -	\$ 18,119
Lease liabilities	104,665	( 25,643)	-	9,491	88,513
Guarantee deposits received	69,885	59,180	13,498	-	142,563
	<u>\$ 174,550</u>	<u>\$ 51,582</u>	<u>\$ 13,572</u>	<u>\$ 9,491</u>	<u>\$ 249,195</u>

## 29. CAPITAL RISK MANAGEMENT

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

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

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

## 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

##### December 31, 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	\$ 214,260	\$ -	\$ -	\$ 214,260
Convertible bonds	70,409	-	-	70,409
Exchangeable bonds	20,760	-	-	20,760
Domestic listed shares	476	-	-	476
Limited partnership	-	-	82,174	82,174
Derivative instrument				
Credit linked notes - linked				
with convertible bonds	-	215,930	-	215,930
Equity linked notes	-	15,466	-	15,466
				(Continued)



	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Foreign exchange forward contracts and foreign exchange swap contracts	\$ -	\$ 27,931	\$ -	\$ 27,931
	<u>\$ 305,905</u>	<u>\$ 259,327</u>	<u>\$ 82,174</u>	<u>\$ 647,406</u>
<b><u>Financial assets at FVTOCI</u></b>				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 325,565	\$ -	\$ -	\$ 325,565
Domestic unlisted equity investments	-	-	183,694	183,694
Foreign unlisted equity investments	-	-	296,877	296,877
Investments in debt instruments at FVTOCI				
Domestic corporate bonds	-	49,738	-	49,738
Foreign corporate bonds	-	61,680	-	61,680
	<u>\$ 325,565</u>	<u>\$ 111,418</u>	<u>\$ 480,571</u>	<u>\$ 917,554</u>
<b><u>Financial liabilities at FVTPL</u></b>				
Derivative instruments				
Foreign exchange forward contracts and foreign exchange swap contracts	\$ -	\$ 20,881	\$ -	\$ 20,881
				(Concluded)
<b><u>December 31, 2022</u></b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b><u>Financial assets at FVTPL</u></b>				
Domestic corporate funds	\$ 169,214	\$ -	\$ -	\$ 169,214
Convertible bonds	60,712	-	-	60,712
Exchangeable bonds	20,040	-	-	20,040
Domestic listed shares	394	-	-	394
Limited partnership	-	-	34,768	34,768
Derivative instruments				
Credit linked notes - linked with convertible bonds	-	205,409	-	205,409
Equity linked notes	-	15,355	-	15,355
Foreign exchange forward contracts and foreign exchange swap contracts	-	45,493	-	45,493
	<u>\$ 250,360</u>	<u>\$ 266,257</u>	<u>\$ 34,768</u>	<u>\$ 551,385</u>
<b><u>Financial assets at FVTOCI</u></b>				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 244,225	\$ -	\$ -	\$ 244,225
Domestic unlisted equity investments	-	-	163,843	163,843
Foreign unlisted equity investments	-	-	231,506	231,506

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in debt instruments at FVTOCI				
Foreign corporate bonds	\$ -	\$ 29,370	\$ -	\$ 29,370
	<u>\$ 244,225</u>	<u>\$ 29,370</u>	<u>\$ 395,349</u>	<u>\$ 668,944</u>
<u>Financial liabilities at FVTPL</u>				
Derivative instruments				
Foreign exchange forward contracts and foreign exchange swap contracts	\$ -	\$ 35,362	\$ -	\$ 35,362
				(Concluded)

For the years ended December 31, 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>
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	Based 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 method of net asset value. The management of the Company 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.

Domestic and foreign unlisted equity investments and the domestic limited partnership is valued using the net asset value method. The management of the Company 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 Company's financial assets under level 3 fair value measurement are financial assets at FVTPL and equity instruments measured at fair value through other comprehensive income.

For the Year Ended December 31, 2023

	<b>Financial instruments at FVTPL</b>	<b>Financial instruments at FVTOCI</b>	<b>Total</b>
Balance at January 1	\$ 34,768	\$ 395,349	\$ 430,117
Additions	40,000	-	40,000
Disposal	( 467)	-	( 467)
Recognized under profit or loss	7,873	-	7,873
Recognized under other comprehensive income	-	85,222	85,222
Balance at December 31	<u>\$ 82,174</u>	<u>\$ 480,571</u>	<u>\$ 562,745</u>

For the Year Ended December 31, 2022

	<b>Financial instruments at FVTPL</b>	<b>Financial instruments at FVTOCI</b>	<b>Total</b>
Balance at January 1	\$ 18,067	\$ 476,394	\$ 494,461
Additions	20,000	15,000	35,000
Recognized under profit or loss	(3,299)	-	(3,299)
Recognized under other comprehensive income	-	(96,045)	(96,045)
Balance at December 31	<u>\$ 34,768</u>	<u>\$ 395,349</u>	<u>\$ 430,117</u>

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 647,406	\$ 551,385
Financial assets at amortized cost (1)	5,252,853	5,327,064
Financial assets at FVTOCI		
Equity instruments	806,136	639,574
Debt instruments	111,418	29,370
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	20,881	35,362
Financial liabilities at amortized cost (2)	1,468,781	1,066,141

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, pledged fixed deposits, time deposits with original maturities more than 3 months, notes and trade receivables (including receivables from related parties), other receivables (including other receivables from related parties), other current assets and refundable deposits.

- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes and trade payables (including payables to related parties), other payables (including other payables to related parties), temporary receipts and guarantee deposits.

d. Financial risk management objectives and policies

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

The Company 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 Company'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 Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

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

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

a) Foreign currency risk

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

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities 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 Company was mainly exposed to the USD, JPY and CNY.

The following table details the Company'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.

	<b>USD Impact</b>		<b>JPY Impact</b>		<b>CNY Impact</b>	
	<b>For the Year Ended December 31</b>		<b>For the Year Ended December 31</b>		<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Profit or loss	\$ 8,462	\$ 26,140	\$ 480	\$ 41	\$ 6,521	\$ 7,719

b) Interest rate risk

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

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Fair value interest rate risk		
Financial assets	\$ 2,904,952	\$ 2,864,690
Financial liabilities	65,507	106,632
Cash flow interest rate risk		
Financial assets	1,053,506	1,127,031

Sensitivity analysis

The sensitivity analysis below was determined based on the Company'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 Company's pre-tax profit for the years ended December 31, 2023 and 2022 would increase/decrease by \$1,053 thousand and \$1,127 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on variable-rate net assets. The Company's pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would decrease/increase by \$111 thousand and \$29 thousand, respectively, which was mainly due to the changes in the fair value of investments in fixed-rate debt instruments at FVTOCI.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities, convertible bonds, structured notes of listed companies and mutual funds investments. The Company does not actively trade these investments. The Company's equity price risk is mainly concentrated in equity instruments operating in the semiconductor industry, finance and insurance industries structured notes, convertible bonds, structured notes, and exchange-traded funds quoted on the Taiwan Stock Exchange and the 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 years ended December 31, 2023 and 2022 would have increase/decreased by \$26,865 thousand and \$23,556 thousand, respectively, as a result of changes in fair value of financial assets at FVTPL. Pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by \$16,278 thousand and \$12,211 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 Company. At the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, 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 Company 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 Company reviews conditions on each collecting receivable to ensure the uncollectible amounts are provided with appropriate impairment losses. Accordingly, the management of the Company believes that the credit risk of the Company 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 total accounts receivable constitute more than 10% of the Company's total trade receivables, the Company did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company's concentration of credit risk was 47% and 63% of total trade receivables as of December 31, 2023 and 2022, respectively. The credit risk is minimal because the customers which account for more than 10% of the Company's trade receivables balance are creditworthy companies.

## 3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized 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 Company'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 Company 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.

December 31, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 731,388	\$ 712,095	\$ 476,549	\$ -	\$ 1,920,032
Lease liabilities	2,280	4,534	20,290	39,479	66,583

December 31, 2022

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 540,886	\$ 425,326	\$ 787,991	\$ -	\$ 1,754,203
Fixed interest rate liabilities	18,147	-	-	-	18,147
Lease liabilities	2,314	4,465	19,870	63,893	90,542

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 Company'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.

December 31, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>
Foreign exchange forward and foreign exchange swaps contracts				
Inflows	\$ 153,495	\$ 863,229	\$ 988,535	\$ -
Outflows	( 152,760 )	( 860,156 )	( 985,293 )	-
	<u>\$ 735</u>	<u>\$ 3,073</u>	<u>\$ 3,242</u>	<u>\$ -</u>

December 31, 2022

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>
Foreign exchange forward and foreign exchange swaps contracts				
Inflows	\$ 371,440	\$ 663,007	\$1,269,867	\$ -
Outflows	( 370,256 )	( 660,197 )	( 1,263,730 )	-
	<u>\$ 1,184</u>	<u>\$ 2,810</u>	<u>\$ 6,137</u>	<u>\$ -</u>

c) Financing facilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	\$ -	\$ 18,119
Amount unused	3,236,920	3,164,601
	<u>\$ 3,236,920</u>	<u>\$ 3,182,720</u>

### 31. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

<b>Related Party Name</b>	<b>Related Party Category</b>
Sensortek Technology Corp.	Subsidiary
Forcelead Technology Corp.	Subsidiary
mCore Technology Corp.	Subsidiary
INFSitronix Technology Corp.	Subsidiary
Sync-Tech System Corp.	Subsidiary
Sitronix Investment Corp.	Subsidiary
HeFei Sitronix Co., Ltd.	Subsidiary
HeFei ezGreen Co., Ltd.	Subsidiary
ezGreen Inc.	Subsidiary
Sitronix Technology (Shenzhen) Co., Ltd.	Subsidiary
Seer Microelectronics, Inc.	Subsidiary (Note)
Silicon Power Computer & Communications Inc.	Substantive related party
ezGlobal Corp.	Substantive related party

Note : In 2023, the Company acquired Seer Microelectronics, Inc. by subscribing to its issued shares through capital increase. As a result, the Company has accumulated a 72.66% equity stake therefore, it is classified as a subsidiary.



b. Sales of goods

Related Party Category	For the Year Ended December 31	
	2023	2022
Subsidiary	\$ 142,413	\$ 167,771
Substantive related party	102	284
	<u>\$ 142,515</u>	<u>\$ 168,055</u>

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

c. Purchases

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
<u>Subsidiary</u>		
Sensortek Technology Corp.	\$ 1,733,011	\$ 1,411,260
Forcelead Technology Corp.	74,941	92,514
Others	22,034	6,281
	<u>\$ 1,829,986</u>	<u>\$ 1,510,055</u>

The transactions in which the Company purchases goods from related parties were negotiated under the terms of general transactions and prices.

d. Manufacturing expenses

Related Party Category	For the Year Ended December 31	
	2023	2022
Subsidiary	<u>\$ 40,808</u>	<u>\$ 55,141</u>

The transactions in which the Company made payments of manufacturing expenses to related parties were subject to contractual agreements as there were no similar transactions for comparison.

e. Operating expenses

Related Party Category	For the Year Ended December 31	
	2023	2022
Subsidiary	\$ 177,520	\$ 162,462
Substantive related party	1,034	985
	<u>\$ 178,554</u>	<u>\$ 163,447</u>

The transactions in which the Company made payments of operating expenses to related parties were subject to contractual agreements as there were no similar transactions for comparison.

f. Other operating income and expenses

Related Party Category	For the Year Ended December 31	
	2023	2022
Subsidiary	<u>\$ 381</u>	<u>\$ 343</u>

The transactions in which the Company made collections or payments of other operating income and expenses to related parties were subject to contractual agreements as there were no similar transactions for comparison.

g. Handling fee revenue

<b>Related Party Category</b>	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Subsidiary	\$ 686	\$ 1,390

The transactions in which the Company made collections of handling fees to related parties were subject to contractual agreements as there were no similar transactions for comparison.

h. Other income

<b>Related Party Category</b>	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Subsidiary	\$ 2,854	\$ 41

The transactions in which the Company made collections of other income to related parties primarily involve proceeds generated from transactions of patent rights, there were subjects to contractual agreements as there were no similar transactions for comparison.

i. Trade receivables from related parties

<b>Related Party Category</b>	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Subsidiary	\$ 28,887	\$ 34,268
Substantive related party	-	26
	\$ 28,887	\$ 34,294

The outstanding trade receivables from related parties were unsecured. No loss allowance were recognized for trade receivables from related parties for the years ended December 31, 2023 and 2022.

j. Other receivables from related parties (excluding loans to related parties)

<b>Related Party Category</b>	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Subsidiary	\$ 14,616	\$ 20,243

Other receivables from related parties are mainly generated from endorsement guarantee fees and collection and payment.

k. Prepayment

<b>Related Party Category</b>	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Substantive related party	\$ 20	\$ 258
Subsidiary	18	17
	\$ 38	\$ 275

l. Trade payables to related parties

<b>Related Party Category/Name</b>	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Subsidiary</u>		
Sensortek Technology Corp.	\$ 339,158	\$ 168,438
Forcelead Technology Corp.	10,865	10,334
Others	3,638	874
	<u>\$ 353,661</u>	<u>\$ 179,646</u>

The outstanding trade payables to related parties are unsecured.

m. Other payables to related parties

<b>Related Party Category</b>	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Subsidiary	\$ 7,686	\$ 21,527
Substantive related party	353	182
	<u>\$ 8,039</u>	<u>\$ 21,709</u>

Other payables to related parties are mainly due to technical service expenditure and manufacturing expenses.

n. Disposal of property, plant and equipment

<b>Related Party Category</b>	<b>Disposal Proceeds</b>		<b>Gain (Loss) on Disposal</b>	
	<b>For the Year Ended</b>		<b>For the Year Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Subsidiary	<u>\$ -</u>	<u>\$ 123</u>	<u>\$ -</u>	<u>\$ -</u>

The term of the transaction of disposal of property, plant and equipment from a related party was subject to a contractual agreement as there was no similar transaction for comparison.

o. Lease arrangement - the Company is lessor

Operating lease rental

Future lease receivable are as follows:

<b>Related Party Category</b>	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Subsidiary	\$ 101,939	\$ 21,943
Substantive related party	508	508
	<u>\$ 102,447</u>	<u>\$ 22,451</u>

Lease income was as follows:

<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Subsidiary</u>		
Sync-Tech System Corp.	\$ 7,248	\$ 7,240
Forcelead Technology Corp.	6,310	5,085
Others	4,193	4,176
Subtotal	17,751	16,501
Substantive related party	2,039	2,036
	<u>\$ 19,790</u>	<u>\$ 18,537</u>

Deposit interest

Subsidiary	\$ 41	\$ 21
Substantive related party	5	3
	<u>\$ 46</u>	<u>\$ 24</u>

The Company leases investment properties to subsidiaries and substantive related parties mainly through operating leases and the lease period is 1 to 5 years. Rental income from related parties are based on contractual agreements as there were no similar transactions for comparison.

p. Disposal of specialized technology

<b>Related Party Category</b>	<b>Line Item</b>	<b>Disposal Proceeds</b>		<b>Gain (Loss) on Disposal (Note)</b>	
		<b>For the Year Ended December 31</b>		<b>For the Year Ended December 31</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Subsidiary	Long-term equity investment accounted for using the equity method	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,101</u>	<u>\$ 19,009</u>

Note : Since there are no related similar transactions for comparison for the transactions between the Company and its subsidiaries, the transaction terms are calculated in accordance with the contractual agreements. And \$17,101 thousand and \$19,009 thousand had been realized for the years ended December 31, 2023 and 2022, respectively; the remaining disposal gain will be deferred.

q. Guarantee deposits received

Related Party Category/Name	December 31	
	2023	2022
<u>Subsidiary</u>		
Forcelead Technology Corp.	\$ 7,402	\$ 20,100
Others	2,027	2,027
Subtotal	9,429	22,127
Substantive related party	356	356
	<u>\$ 9,785</u>	<u>\$ 22,483</u>

The guarantee deposits received are mainly generated from the related parties jointly obtain the purchase quota guarantee from the supplier and the rental deposits.

r. Loans to related parties

Related Party Category	December 31	
	2023	2022
Other receivables from related parties		
Subsidiary	<u>\$ 6,000</u>	<u>\$ 10,000</u>
Related Party Category	For the Year Ended December 31	
	2023	2022
Interest Income		
Subsidiary	<u>\$ 394</u>	<u>\$ 308</u>

The Company provides short-term loans to subsidiaries with interest rates ranging from 1.95% and 1.9%~2.1% in December 31, 2023 and 2022, respectively. As there were no similar transactions for comparison, the terms of the transaction were subject to contractual agreements.

s. Endorsements and guarantees provided by the Company

Related Party Category	December 31	
	2023	2022
Subsidiary		
Amount endorsed	<u>\$ 900,000</u>	<u>\$ 700,000</u>
Actual amount borrowed	<u>\$ 91,397</u>	<u>\$ 175,960</u>

The Company provides endorsement guarantees for subsidiaries to obtain purchase contracts from suppliers and bank credit lines. The terms and conditions of the transaction for the collection of relevant handling fees shall be subject to contractual agreements, as there were no similar transactions for comparison.

t. Remuneration of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term employee benefits	\$ 104,093	\$ 154,948
Post-employment benefits	807	795
Share-based payments	-	-
	<u>\$ 104,900</u>	<u>\$ 155,743</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and the Company'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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Pledged deposits	<u>\$ 29,535</u>	<u>\$ 47,287</u>

Pledged fixed 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 Company at the balance sheet date are as follows:

a. Long-term purchase agreements

The Company entered into long-term purchase agreements of materials with suppliers in 2021. Both parties agreed that during the contract period, the suppliers would deliver the materials to the Company in accordance with the agreements. The Company has paid the suppliers USD30,189 thousand as guarantee to ensure the supply of materials. The rights and obligations of both parties are based on the content of each agreement. Presented by prepayment for purchase and refundable deposits were USD10,000 thousand and USD20,189 thousand, respectively.

As of December 31, 2023, the Company assesses that prepayment for purchase made under signed capacity guarantee agreements was written off due to estimated unrealizability, the impairment loss was classified as cost of goods sold. This estimation could be adjusted due to the market demand fluctuates in the future. As of December 31, 2023, the unused prepayment for purchase has been fully recognized for impairment.

As of December 31, 2023, the balance of the refundable deposits was USD 13,896 thousand.

b. Long-term supply agreements

The Company entered into long-term supply agreements of products with clients from 2021 to 2022. Both parties agreed that during the contract period, the Company would deliver the products to clients in accordance with the agreements. The Company has collected USD2,760 thousand as a guarantee to ensure the supply of products. The rights and obligations of both parties are based on the content of each agreement.

As of December 31, 2023, the balance of the guarantee deposits received was USD1,026 thousand.

### 34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31				
2023			2022	
Foreign Currency		Exchange Rate	Foreign Currency	Exchange Rate
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 47,465	30.705	\$ 45,974	30.710
JPY	50,919	0.2172	4,701	0.2324
CNY	30,143	4.3270	35,022	4.4080
<u>Non-monetary items</u>				
USD	12,181	30.705	8,995	30.710
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	41,953	30.705	28,950	30.710
JPY	6,724	0.2172	1,133	0.2324

For the years ended December 31, 2023 and 2022, please refer to Note 23(i) for the information of realized and unrealized net foreign exchange gains (losses). It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions of the entities in the Company.

### 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: Table 4
- 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 5 (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) Information on investee: Table 6 (attached)
- c. Information on investments in mainland China: Tables 7 and 8 (attached)
- d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 9 (attached)



**TABLE 1**

**SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES**

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

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual 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	\$ 50,000	\$ -	-	For financing	\$ -	Working capital	\$ -	-	\$ -	\$ 2,199,038	\$ 4,398,075
		Seer Microelectronics, Inc.	Other receivables from related parties	Yes	60,000	60,000	-	-	For financing	-	Working capital	-	-	-	2,199,038	4,398,075
		INFSitronix Technology Corp.	Other receivables from related parties	Yes	100,000	100,000	6,000	1.95%	For financing	-	Working capital	-	-	-	2,199,038	4,398,075

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.

**TABLE 2**

**SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 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	\$ 5,497,594	\$ 100,000	\$ 100,000	\$ -	\$ -	0.91	\$ 5,497,594	Yes	-	Yes
		mCore Technology Corp.	Subsidiary	5,497,594	100,000	100,000	11,564	-	0.91	5,497,594	Yes	-	-
		HeFei Sitronix Co., Ltd.	Subsidiary	5,497,594	400,000	400,000	75,227	-	3.64	5,497,594	Yes	-	Yes
		Seer Microelectronics, Inc.	Subsidiary	5,497,594	200,000	200,000	-	-	1.82	5,497,594	Yes	-	-
		INFSitronix Technology Corp.	Subsidiary	5,497,594	100,000	100,000	4,606	-	0.91	5,497,594	Yes	-	-

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 “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.

TABLE 3

## SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

DECEMBER 31, 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	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	<u>Bond</u>							
	FORCAY 3.375% 04/22/2025, USD Bond	-	Financial assets at amortized cost - non-current	-	\$ 30,870	-	\$ 30,870	Note 2
	TSMC ARIZONA CORP 4.125% 04/22/2029, USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	30,189	-	30,189	Note 1
	TAIWAN MOBILE first Unsecured Straight Corporate Bond in 2023	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	49,738	-	49,738	Note 1
	GS 5.8% 12/18/2033, USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	31,491	-	31,491	Note 1
	Chailease Holding Company Limited first Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	100,000	9,910	-	9,910	Note 1
	Topco Technologies Corp. first Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	200,000	21,840	-	21,840	Note 1
	Yulon Motor Co., Ltd. third Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	65,000	6,939	-	6,939	Note 1
	Gloria Material Technology Corp. seventh Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	100,000	10,665	-	10,665	Note 1
	Ennoconn Corporation fifth Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	100,000	10,885	-	10,885	Note 1
	Yulon Finance Corp. second Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	100,000	10,170	-	10,170	Note 1
	Taishin Financial Holding Co., Ltd. first Unsecured Exchangeable Bond	-	Financial assets at fair value through profit or loss - current	200,000	20,760	-	20,760	Note 1
	<u>Derivatives</u>							
	6M USD FCN [GOOG+AMD+QCOM] 14.88% 06/20/2024	-	Financial assets at fair value through profit or loss - current	-	15,466	-	15,466	Note 1
	Taishin Financial Holding Co., Ltd. E1 Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	35,106	-	35,106	Note 1
	Gemtek Technologies Co., Ltd. sixth Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	10,031	-	10,031	Note 1
	Gloria Material Technology Corp. seventh Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	25,233	-	25,233	Note 1
	Ennoconn Corporation fifth Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	20,091	-	20,091	Note 1
	Yulon Finance Corp. second Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	20,094	-	20,094	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Sercomm Corp. sixth Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	\$ 15,017	-	\$ 15,017	Note 1
	Taiwan Mask Corp. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	40,154	-	40,154	Note 1
	Ultra Chip, Inc. second Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	30,142	-	30,142	Note 1
	Wah Lee Industrial Corp. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	20,062	-	20,062	Note 1
	<u>Fund</u> KGI Taiwan Assets Fund	-	Financial assets at fair value through profit or loss - current	5,503,962	65,634	-	65,634	Note 1
	UPAMC Taiwan Smart Strategy fund	-	Financial assets at fair value through profit or loss - current	1,000,000	11,430	-	11,430	Note 1
	UPAMC CB Strategy fund	-	Financial assets at fair value through profit or loss - current	10,000,000	110,498	-	110,498	Note 1
	Cathay U.S. Treasury 20+ Year Bond ETF	-	Financial assets at fair value through profit or loss - current	530,000	16,859	-	16,859	Note 1
	Jih Sun Vietnam Opportunity Fund A (TWD)	-	Financial assets at fair value through profit or loss - current	1,202,815	9,839	-	9,839	Note 1
	<u>Stock</u> Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	7,354	476	-	476	Note 1
	Silicon Power Computer & Communications Inc.	Substantive related party	Investments in equity instruments at fair value through other comprehensive income - current	4,198,701	154,932	-	154,932	Note 1
	Taishin Financial Holding Co., Ltd. Preferred Share E	-	Investments in equity instruments at fair value through other comprehensive income - current	189,000	9,658	-	9,658	Note 1
	Taishin Financial Holding Co., Ltd. Preferred Share E II	-	Investments in equity instruments at fair value through other comprehensive income - current	474,000	21,638	-	21,638	Note 1
	WPG Holdings Limited Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	690,000	32,430	-	32,430	Note 1
	Chailease Holding Company Limited Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	250,000	24,475	-	24,475	Note 1
	WT Microelectronics Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	1,000,000	45,650	-	45,650	Note 1
	Fubon Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	175,000	10,692	-	10,692	Note 1
	Cathay Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	131,000	7,808	-	7,808	Note 1
	Nan Ya Plastics Corporation	-	Investments in equity instruments at fair value through other comprehensive income - current	150,000	9,975	-	9,975	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Kwong Lung Enterprise Co., Ltd	-	Investments in equity instruments at fair value through other comprehensive income - current	146,000	\$ 8,307	-	\$ 8,307	Note 1
	G-tech Electronics Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - current	307,000	-	2	-	
	<u>Equity Investment</u> HANS GLOBAL SELECT FUND LIMITED	-	Investments in equity instruments at fair value through other comprehensive income - non-current	120,000	296,877	-	296,877	Note 3
	Fong Huang Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	3,000,000	35,565	9	35,565	Note 3
	Fong Huang II Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	3,000,000	34,658	7	34,658	Note 3
	Top Taiwan XIII Venture Capital Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	10,000,000	94,844	12	94,844	Note 3
	Fong Huang IV Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	1,500,000	18,627	6	18,627	Note 3
	<u>Limited Partnership</u> CDIB-Innolux Limited Partnership	-	Financial assets at fair value through profit or loss - non-current	4,953,300	60,965	-	60,965	Note 3
	Megawood Green Technology Fund L.P.	-	Financial assets at fair value through profit or loss - non-current	2,250,000	21,209	-	21,209	Note 3
	<u>Equity Investment</u> HANS GLOBAL SELECT FUND LIMITED	-	Investments in equity instruments at fair value through other comprehensive income - non-current	111,500	275,848	-	275,848	Note 3
Sitronix Investment Corp.								
Sensortek Technology Corp.	<u>Bond</u> HSBC 3.75% 05/24/2024 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - current	-	15,237	-	15,237	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	-	30,189	-	30,189	Note 1
	TSMC ARIZONA CORP 3.875% 04/22/2027 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	30,084	-	30,084	Note 1
	China Huadian Corporation 3.375% Perpetual USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	29,701	-	29,701	Note 1
	CITI 2.80% 06/15/2025 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	29,473	-	29,473	Note 1
	TSMC ARIZONA CORP 2.5% 10/25/2031 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	26,419	-	26,419	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Sensortek Technology Corp.	FORCAY 3.375% 04/22/2025 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	\$ 15,007	-	\$ 15,007	Note 1
	GS 5.8% 12/18/2033 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	31,491	-	31,491	Note 1
	Chailease Holding Company Limited first Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	287,000	28,442	-	28,442	Note 1
	Gloria Material Technology Corp. seventh Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	100,000	10,665	-	10,665	Note 1
	Yulon Motor Co., Ltd. third Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	40,000	4,270	-	4,270	Note 1
	Taishin Financial Holding Co., Ltd. first Unsecured Exchangeable Bond	-	Financial assets at fair value through profit or loss - current	200,000	20,760	-	20,760	Note 1
	<u>Derivatives</u>							
	Taiwan Mask Corp. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	30,105	-	30,105	Note 1
	Ultra Chip, Inc. second Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	30,142	-	30,142	Note 1
	Wah Lee Industrial Corp. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	20,062	-	20,062	Note 1
	Taishin Financial Holding Co., Ltd. E1 Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	35,106	-	35,106	Note 1
	RiTdisplay Corporation second Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	9,585	-	9,585	Note 1
	Sercomm Corp. sixth Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	15,017	-	15,017	Note 1
	Gemtek Technologies Co., Ltd. sixth Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	10,031	-	10,031	Note 1
	Gloria Material Technology Corp. seventh Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	25,233	-	25,233	Note 1
	<u>Fund</u>							
	Cathay U.S. Treasury 20+ Year Bond ETF	-	Financial assets at fair value through profit or loss - current	150,000	4,771	-	4,771	Note 1
	<u>Stock</u>							
	WT Microelectronics Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	2,000,000	91,300	-	91,300	Note 1
	Fubon Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	800,000	48,880	-	48,880	Note 1
	Taishin Financial Holding Co., Ltd. Preferred Share E	-	Investments in equity instruments at fair value through other comprehensive income - current	609,000	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	300,000	29,370	-	29,370	Note 1
	Powertech Technology Inc.	-	Investments in equity instruments at fair value through other comprehensive income - current	168,000	23,688	-	23,688	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Sensortek Technology Corp.	Taiwan Cement Corp.	-	Investments in equity instruments at fair value through other comprehensive income - current	69,450	\$ 2,420	-	\$ 2,420	Note 1
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	33,621	2,179	-	2,179	Note 1
	Sitronix Technology Corp.	The Parent Company	Investments in equity instruments at fair value through other comprehensive income - non-current	606,000	168,468	-	168,468	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	3,000,000	34,658	7	34,658	Note 3
Forcelead Technology Corp.	<u>Fund</u> TAISHIN JU LONG Fund	-	Financial assets at fair value through profit or loss - current	1,746,862	22,314	-	22,314	Note 1
	<u>Stock</u> WPG Holdings Limited Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	190,000	8,930	-	8,930	Note 1
Sitronix Holding International Ltd.	<u>Bond</u> CITI 2.75% 04/08/2024 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - current	-	USD 2,978	-	USD 2,978	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 569	-	USD 569	Note 1
	China Huadian Corporation 3.375% Perpetual USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	USD 967	-	USD 967	Note 1
	CITI 2.80% 06/15/2025 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	USD 960	-	USD 960	Note 1
	GS 5.8% 12/18/2033, USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	USD 1,026	-	USD 1,026	Note 1

(Concluded)

Note 1: Calculated based on the closing price on December 31, 2023.

Note 2: Listed based on book value.

Note 3: Calculated based on the net value on December 31, 2023.

Note 4: As of December 31, 2023, the above listed marketable securities were neither provided as guarantee nor pledged as collateral for loans.

Note 5: 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”.

**TABLE 4**

**SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Forcelead Technology Corp.	Buildings	2023.9.6	\$ 937,250	\$ 121,870	Winsome Development Co., Ltd.	None	-	-	-	-	Real estate valuation report and board of directors	Operating Purpose	None

Note 1: Payment amount are classified as prepayments for buildings.



**TABLE 5**

**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 YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade 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	\$ 1,733,011	35%	Net 60 days from the ship date	\$ -	-	(\$ 339,158)	(29%)	-

**TABLE 6**

**SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)  
FOR THE YEAR ENDED DECEMBER 31, 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 December 31, 2023			Net Income (Loss) of the Investee	Share of (Loss) Profit
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount		
The Company	Sitronix Investment Corp.	Taiwan	Investment	\$ 367,270	\$ 367,270	33,249,060	100.00	\$ 280,473	( \$ 4,441)	( \$ 4,441)
	Forcelead Technology Corp.	Taiwan	R&D and sales of multi-functional integrated automotive display driver ICs	684,047	717,634	23,197,545	61.01	1,021,604	436,894	291,029
	Sensortek Technology Corp.	Taiwan	R&D, design and sales of sensor integrated circuit products	113,318	113,318	22,529,596	46.06	1,959,092	675,516	305,009
	mCore Technology Corp.	Taiwan	Providing solutions for consumer display and voice/audio related applications.	131,074	131,074	9,583,010	90.73	113,139	9,581	8,693
	Sync-Tech System Corp.	Taiwan	Design, manufacturing and maintenance of semiconductor consumables and testing equipment	160,554	160,554	12,403,511	42.19	359,425	113,486	48,072
	INFSitronix Technology Corp.	Taiwan	Comprehensive line of Power supervisor IC design	193,559	193,559	9,796,220	58.42	52,932	( 26,017)	( 15,199)
	ezGreen Inc.	Taiwan	Software design and electronic information supply services	160,000	100,000	16,000,000	100.00	45,694	( 23,847)	( 23,847)
	Seer Microelectronics, Inc.	Taiwan	High performance sensor IC with single photon design and applications	95,000	-	9,500,000	72.66	76,007	( 17,616)	( 12,345)
Sitronix Investment Corp. ezGreen Inc.	Sitronix Holding International Ltd.	Samoa	Investment	184,230 (USD 6,000)	184,230 (USD 6,000)	6,000,000	100.00	217,255	7,031	7,031
	Sensortek Technology Corp.	Taiwan	R&D, design and sales of sensor integrated circuit products	10	10	2,290	-	208	675,516	32
	INFSitronix Technology Corp.	Taiwan	Comprehensive line of Power supervisor IC design	10	10	266	-	1	( 26,017)	( 1)
	esGMeta Co.,Ltd.	Taiwan	Carbon footprint verification, analysis of data on carbon system platforms, execution of carbon reduction projects and commissioning of carbon trading rights	9,500	-	9,500,000	47.50	5,202	-	-

Note : Foreign currencies is converted into NTD using the exchange rates of the US dollar to NTD on December 31, 2023.

TABLE 7

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

Investee Company	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 December 31, 2023 (Foreign Currencies in Thousands)	Net Income (Loss) of the Investee	% Ownership for Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 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	\$ 12,282 (USD 400)	Note 1	\$ 12,282 (USD 400)	\$ -	\$ -	\$ 12,282 (USD 400)	\$ 2,151	100%	\$ 2,151	\$ 28,514	\$ 10,237
HeFei ezGreen Co., Ltd.	Design, sales and technical services of Supplier management software development	43,270 (CNY 10,000)	Note 4	43,270 (CNY 10,000)	-	-	43,270 (CNY 10,000)	(9,438)	100%	(9,438)	10,906	-
HeFei Sitronix Co., Ltd.	R&D, design, sales and technical services of integrated circuits and system hardware and software	216,350 (CNY 50,000)	Note 5	97,358 (CNY 22,500)	-	-	97,358 (CNY 22,500)	47,393	90%	42,654	449,489	-
HeFei Sitronix Technology Co., Ltd.	R&D and sale of integrated circuits; R&D, service and sales of integrated circuits chip	151,445 (CNY 35,000)	Note 6	129,810 (CNY 30,000)	21,635 (CNY 5,000)	-	151,445 (CNY 35,000)	(8,397)	100%	(8,397)	139,304	-

Investor Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 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
Sitronix Technology Corporation	\$ 326,456 (US\$ 10,632)	\$ 691,937 (US\$ 22,535)	\$6,597,113
Forcelead Technology Corp.	\$ - (US\$ - )	\$ 23,888 (US\$ 788)	\$1,004,704

Note 1: Direct Investment, as of December 31, 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 December 31, 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 December 31, 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 December 31, 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 December 31, 2023, the total investment amount approved by the Investment Commission, MOEA, is CNY90,000 thousand, and the investment amount of CNY35,000 thousand has been remitted.

TABLE 8

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 YEAR ENDED DECEMBER 31, 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	\$ 177,367	11%	Calculated based on the contract	Calculated based on the contract	No related similar transactions to follow	\$ -	-	\$ -	-

**TABLE 9****SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES****INFORMATION ON MAJOR SHAREHOLDERS  
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Capital Tip customized Taiwan Select High Dividend ETF	8,437,000	7.02

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to a trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.

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**SITRONIX TECHNOLOGY CORPORATION****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

<b>Item</b>	<b>Description</b>	<b>Annual Interest Rate (%)</b>	<b>Amount</b>
Bank deposits			
Time deposits	Including NT\$3,239,235 thousand, US\$4,900 thousand, and CNY\$30,000 thousand	0.560~5.350	\$ 3,519,500
Demand deposits	Including NT\$84,290 thousand, US\$4,043 thousand, HKD\$98 thousand, JPY50,919 thousand, EUR\$1 thousand, CNY\$131 thousand and AUD\$9 thousand	0.001~5.000	220,664
Check deposits	Including NT\$2,232 thousand	-	2,232
Cash on hand	Including NT\$45 thousand, HKD\$1 thousand and CNY\$4 thousand	-	66
			<u>3,742,462</u>
Cash equivalents	Including NT\$76,006 thousand, and expires by the end of January, 2024	1.250	76,006
Time deposits			
Financial assets at amortized cost-current			<u>( 859,235)</u>
Total			<u><u>\$ 2,959,233</u></u>

The foreign currency exchange rates are as follows:

US1=NT30.705

HKD1=NT3.929

JPY1=NT0.2172

CNY1=NT4.327

EUR1=NT33.980

AUD1=NT20.980

## SITRONIX TECHNOLOGY CORPORATION

STATEMENT OF FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS  
DECEMBER 31, 2023

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

	Number of Shares	Par Value (NT\$)	Amount	Carrying Amount	Fair Value		Note
					Unit price	Total Amount	
CURRENT ASSETS							
Stock							
Fubon Financial Holding Co., Ltd.	7,354	53.43	\$ 393	\$ 393	64.8	\$ 476	Note
Fund							
UPAMC CB Strategy Fund	10,000,000	10.00	100,000	100,000	11.05	110,498	Note
KGI Taiwan Assets Fund	5,503,962	10.00	55,018	55,018	11.92	65,634	Note
Cathay US Treasury 20+ Year Bond ETF	530,000	28.62	15,168	15,168	31.81	16,859	Note
UPAMC Taiwan Smart Strategy Fund	1,000,000	10.00	10,000	10,000	11.43	11,430	Note
Jih Sun Vietnam Opportunity Fund A (TWD)	1,202,815	8.31	10,000	10,000	8.18	9,839	Note
Bond							
Topco Technologies Corp. first Unsecured Convertible Bond	200,000	100.40	20,080	20,080	109.20	21,840	Note
Ennoconn Corp. fifth Unsecured Convertible Bond	100,000	100.50	10,050	10,050	108.85	10,885	Note
Gloria Material Technology Corp. seventh Unsecured Convertible Bond	100,000	100.50	10,050	10,050	106.65	10,665	Note
Yulon Finance Corp. second Unsecured Convertible Bond	100,000	101.00	10,100	10,100	101.70	10,170	Note
Chailease Holding Company Limited first Unsecured Convertible Bond	100,000	100.50	10,050	10,050	99.10	9,910	Note
Yulon Motor Co., Ltd. third Unsecured Convertible Bond	65,000	102.00	6,630	6,630	106.75	6,939	Note
Taishin Financial Holding Co., Ltd. first Unsecured Exchangeable Bond	200,000	100.50	20,100	20,100	103.80	20,760	Note
Derivatives							
Taiwan Mask Corp. third Credit Linked Structured Product	-	100.00	40,000	40,000	100.38	40,154	Note
Ultra Chip, Inc. second Credit Linked Structured Product	-	100.00	30,000	30,000	100.47	30,142	Note
Wah Lee Industrial Corp. third Credit Linked Structured Product	-	100.00	20,000	20,000	100.31	20,062	Note
6M USD FCN [GOOG+AMD+QCOM] 14.88% 06/20/2024	-	3,131.00	15,655	15,655	3,093.22	15,466	Note
Subtotal			383,294	383,294		411,729	
NON-CURRENT ASSETS							
Derivatives							
Taishin Financial Holding Co., Ltd. E1 Credit Linked Structured Product	-	100.00	35,000	35,000	100.30	35,106	Note
Gloria Material Technology Corp. seventh Credit Linked Structured Product	-	100.00	25,000	25,000	100.93	25,233	Note
Yulon Finance Corp. second Credit Linked Structured Product	-	100.00	20,000	20,000	100.47	20,094	Note
Ennoconn Corporation fifth Credit Linked Structured Product	-	100.00	20,000	20,000	100.46	20,091	Note

(continued)



## SITRONIX TECHNOLOGY CORPORATION

STATEMENT OF FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS  
DECEMBER 31, 2023

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

	Number of Shares	Par Value (NT\$)	Amount	Carrying Amount	Fair Value		Note
					Unit price	Total Amount	
Sercomm Corp. sixth Credit Linked Structured Product	-	100.00	\$ 15,000	\$ 15,000	100.11	\$ 15,017	Note
Gemtek Technologies Co., Ltd.. sixth Credit Linked Structured Product	-	100.00	10,000	10,000	100.31	10,031	Note
Limited partnership CDIB-Innolux Limited Partnership	4,953,300	10.00	49,533	49,533	12.31	60,965	Note
Megawood Green Technology Fund L.P.	2,250,000	10.00	22,500	22,500	9.43	21,209	Note
Subtotal			<u>197,033</u>	<u>197,033</u>		<u>207,746</u>	
Total			<u>\$ 580,327</u>	<u>\$ 580,327</u>		<u>\$ 619,475</u>	(Concluded)

Note: The above financial assets were unsecured or provided as guarantee.

## SITRONIX TECHNOLOGY CORPORATION

## STATEMENT OF FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

DECEMBER 31, 2023

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

	Number of Shares	Par Value (NT\$)	Amount	Carrying Amount	Fair Value		Note
					Unit price (NT\$)	Total Amount	
CURRENT ASSETS							
Domestic listed shares							
Silicon Power Computer & Communications Inc.	4,198,701	24.54	\$ 103,023	\$ 103,023	36.90	\$ 154,932	Note
WT Microelectronics Co., Ltd. Preferred Share A	1,000	50.00	50,000	50,000	45.65	45,650	Note
WPG Holdings Limited Preferred Share A	690,000	49.85	34,397	34,397	47.00	32,430	Note
Chailease Holding Company Limited Preferred Share A	250,000	100.00	25,000	25,000	97.90	24,475	Note
Taishin Financial Holding Co., Ltd. Preferred Share F (2)	474,000	49.30	23,367	23,367	45.65	21,638	Note
Fubon Financial Holding Co., Ltd. Preferred Share A	175,000	62.95	11,016	11,016	61.10	10,692	Note
Nan Ya Plastics Corporation	150,000	66.90	10,035	10,035	66.50	9,975	Note
Taishin Financial Holding Co., Ltd. Preferred Share E	189,000	51.19	9,676	9,676	51.10	9,658	Note
Kwong lung Enterprise Co., Ltd.	146,000	52.24	7,626	7,626	56.90	8,307	Note
Cathay Financial Holding Co., Ltd. Preferred Share A	131,000	62.59	8,199	8,199	59.60	7,808	Note
G-tech Electronics Co., Ltd.	307,000	-	-	-	-	-	Note
Subtotal			<u>282,339</u>	<u>282,339</u>		<u>325,565</u>	
NON-CURRENT ASSETS							
Foreign equity investments							
HANS GLOBAL SELECT FUND LIMITED	120,000	3,002.00	360,240	360,240	2,473.98	296,877	Note
Domestic equity investments							
Top Taiwan XIII Venture Capital Co., Ltd.	10,000,000	10.00	100,000	100,000	9.48	94,844	Note
Fong Huang Innovation Investment Co., Ltd.	3,000,000	10.00	30,000	30,000	11.86	35,565	Note
Fong Huang II Innovation Investment Co., Ltd.	3,000,000	10.00	30,000	30,000	11.55	34,658	Note
Fong Huang IV Innovation Investment Co., Ltd.	1,500,000	10.00	15,000	15,000	12.42	18,627	Note
Corporate bonds							
TAIWAN MOBILE frst Unsecured Straight Corporate Bond in 2023	-	100.00	50,000	50,000	99.48	49,738	Note
GS 5.8% 12/18/2033, USD Bond	-	3,123.50	31,235	31,235	3,149.10	31,491	Note
TSMC ARIZONA CORP 4.125% 04/22/2029, USD Bond	-	3,003.92	30,039	30,039	3,018.92	30,189	Note
Subtotal			<u>646,514</u>	<u>646,514</u>		<u>591,989</u>	
Total			\$ 928,853	\$ 928,853		\$ 917,554	

Note: The above financial assets were unsecured or provided as guarantee.

**SITRONIX TECHNOLOGY CORPORATION****STATEMENT OF NOTES AND TRADE RECEIVABLES, NET****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

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<b>Client Name</b>	<b>Amount</b>
Trade receivables - non-related parties	
A Client	\$ 282,532
B Client	107,779
C Client	77,731
D Client	66,485
E Client	55,028
Others (Note)	242,136
Allowance for impairment loss	( 17,572)
Total	<u><u>\$ 814,119</u></u>

Note: The amount of individual client in others does not exceed 5% of the account balance.

**SITRONIX TECHNOLOGY CORPORATION****STATEMENT OF INVENTORIES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Amount</b>	
	<b>Cost</b>	<b>Market Price (Note 1)</b>
Finished goods	\$ 196,451	\$ 331,449
Work in progress	630,206	1,060,049
Raw materials	92,674	97,112
Merchandise	18	18
	<u>\$ 919,349</u>	<u>\$ 1,488,628</u>

Note 1: The market price is determined by the net realizable value.

Note 2: The insured amount of inventory is \$86,000 thousand.

SITRONIX TECHNOLOGY CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investees	January 1, 2023		Additions in Investment		Decrease in Investment		The Company's Shares Held by its Subsidiaries Treated as Treasury Shares	Gain (Loss) On Investments Accounted for Using the Equity Method (Note 1)	Other Equity	Capital Surplus	Unrealized Profit/ Loss on Intercompany Transactions	Other	December 31, 2023			Market Value or Net Value Total	Collateral
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount							Number of Shares	%	Amount		
Sitronix Investment Corp.	33,249,060	\$ 224,163	-	\$ -	-	\$ -	\$ -	(\$ 4,431)	\$ 60,741	\$ -	\$ -	\$ -	33,249,060	100.00	\$ 280,473	\$ 280,383	None
Forcelead Technology Corp.	24,336,545	1,112,835	-	-	( 1,139,000)	( 527,762)	-	290,649	( 119)	147,730	1,363	( 3,092)	23,197,545	61.01	1,021,604	6,576,504	None
Sensortek Technology Corp.	22,529,596	1,964,628	-	-	-	( 337,943)	-	305,008	5,520	6,141	15,738	-	22,529,596	46.06	1,959,092	9,766,580	None
mCore Technology Corp.	9,583,010	118,911	-	-	-	( 14,528)	-	8,756	-	-	-	-	9,583,010	90.73	113,139	112,420	None
Sync-Tech System Corp.	12,160,305	319,695	243,206	-	-	( 9,728)	-	48,776	-	682	-	-	12,403,511	42.19	359,425	359,130	None
INFSitronix Technology Corp.	9,796,220	68,082	-	-	-	-	-	( 15,150)	-	-	-	-	9,796,220	58.42	52,932	52,372	None
Sitronix Holding International Ltd.	6,000,000	204,268	-	-	-	-	-	7,031	5,956	-	-	-	6,000,000	100.00	217,255	217,255	None
HeFei Sitronix Co., Ltd.	-	415,216	-	98,708	-	( 98,708)	-	42,654	( 8,381)	-	-	-	-	90.00	449,489	449,489	None
HeFei ezGreen Co., Ltd.	-	20,579	-	-	-	-	-	( 9,438)	( 235)	-	-	-	-	100.00	10,906	10,906	None
Sitronix Technology (Shenzhen) Co., Ltd.	-	27,022	-	-	-	-	-	2,151	( 659)	-	-	-	-	100.00	28,514	28,514	None
HeFei Sitronix Technology Co., Ltd.	-	128,300	-	21,845	-	-	-	( 8,397)	( 2,444)	-	-	-	-	100.00	139,304	139,305	None
ezGreen Inc.	10,000,000	9,541	6,000,000	60,000	-	-	-	( 23,847)	-	-	-	-	16,000,000	100.00	45,694	45,694	None
Seer Microelectronics, Inc.	-	-	9,500,000	95,000	-	-	-	( 13,149)	-	( 5,844)	-	-	9,500,000	72.66	76,007	57,678	None
		<u>\$ 4,613,240</u>		<u>\$ 275,553</u>		<u>(\$ 988,669)</u>	<u>\$ -</u>	<u>\$ 630,613</u>	<u>\$ 60,379</u>	<u>\$ 148,709</u>	<u>\$ 17,101</u>	<u>(\$ 3,092)</u>			<u>\$ 4,753,834</u>	<u>\$ 18,096,230</u>	

Note 1: The differences between the subsidiaries’s current gain and loss and the gain and loss recognized by the Company using the equity method are the recognition difference of IFRS 16, unrealized profit or loss of the upstream transaction made with subsidiaries and the amortization of the differences between consideration received and the carrying amount of subsidiaries’ net assets.

**SITRONIX TECHNOLOGY CORPORATION****STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS AND ACCUMULATED DEPRECIATION  
FOR THE YEAR ENDED DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

<b>Item</b>	<b>Buildings</b>	<b>Office Equipment</b>	<b>Total</b>
Cost			
Balance at January 1, 2023	\$ 181,243	\$ 7,676	\$ 188,919
Additions	-	3,663	3,663
Balance at December 31, 2023	181,243	11,339	192,582
Accumulated depreciation			
Balance at January 1, 2023	95,763	5,721	101,484
Depreciation	24,930	1,913	26,843
Balance at December 31, 2023	120,693	7,634	128,327
Carrying amount at December 31, 2023	\$ 60,550	\$ 3,705	\$ 64,255

**SITRONIX TECHNOLOGY CORPORATION****STATEMENT OF TRADE PAYABLES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

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<b>Vendor Name</b>	<b>Amount</b>
A vendor	\$ 209,338
B vendor	174,692
C vendor	101,936
D vendor	71,828
E vendor	60,213
F vendor	43,613
Others (Note)	<u>141,016</u>
Total	<u><u>\$ 802,636</u></u>

Note: The amount of individual vendor in others does not exceed 5% of the account balance.

**SITRONIX TECHNOLOGY CORPORATION****STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

<b>Item</b>	<b>Lease Term</b>	<b>Discount Rate</b>	<b>December 31, 2023</b>
Buildings	From July 2021 to July 2026	1.345%	\$ 61,765
Office equipment	From July 2022 to May 2026	1.720%~2.115%	<u>3,742</u>
Total			65,507
Less: Lease liabilities-current			<u>( 26,401 )</u>
Lease liabilities-non-current			<u>\$ 39,106</u>



**SITRONIX TECHNOLOGY CORPORATION****STATEMENT OF NET REVENUE****FOR THE YEAR ENDED DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

<b>Item</b>	<b>Shipment Qty (In Thousands of Pieces)</b>	<b>Amount</b>
Integrated circuits	912,727	\$ 10,244,703
Others		<u>140,728</u>
		10,385,431
Sales returns and discounts		<u>( 62,886 )</u>
		<u>\$ 10,322,545</u>

**SITRONIX TECHNOLOGY CORPORATION**
**STATEMENT OF OPERATING COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Amount</b>
Raw materials used	
Raw materials, beginning of year	\$ 315,819
Plus: raw materials purchased for the year	3,233,925
Raw materials, end of year	( 92,674 )
Others	( 33 )
Subtotal	3,457,037
Manufacturing expenses	1,022,974
Manufacturing costs	4,480,011
Work in progress, beginning of year	1,298,800
Work in progress, end of year	( 630,206 )
Less: transferred to manufacturing or operating expenses	( 9,724 )
Cost of finished goods	5,138,881
Finished goods, beginning of year	589,104
Plus: finished goods purchased for the year	1,780,574
Others	( 539 )
Finished goods, end of year	( 196,451 )
Production and marketing cost	7,311,569
Merchandise, beginning of year	26
Plus: merchandise purchased for the year	115
Others	( 8 )
Merchandise, end of year	( 18 )
Plus: other operating costs	78,737
Total	<u><u>\$ 7,390,421</u></u>

## SITRONIX TECHNOLOGY CORPORATION

STATEMENT OF OPERATING EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2023  
 (In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses
Wages and salaries	\$ 60,071	\$ 135,075	\$ 725,914
Depreciation expense	4,628	18,962	97,870
Remuneration of directors	-	25,437	-
Professional service fees	80,261	2,780	93,094
Contracted research expense	-	-	65,039
Traveling expense	9,858	1,066	10,099
Others (Note)	25,074	45,302	285,685
	<u>\$ 179,892</u>	<u>\$ 228,622</u>	<u>\$ 1,277,701</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

## SITRONIX TECHNOLOGY CORPORATION

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION  
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
 (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31					
	2023			2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Labor expenses						
Wages and salaries	\$ -	\$ 921,060	\$ 921,060	\$ -	\$ 1,298,741	\$ 1,298,741
Labor and health insurance	-	68,679	68,679	-	66,199	66,199
Pension expense	-	28,291	28,291	-	25,703	25,703
Remuneration of directors	-	25,437	25,437	-	59,412	59,412
Other labor expense	-	20,917	20,917	-	20,418	20,418
Share-based payments	-	3,092	3,092	-	12	12
Total	\$ -	\$ 1,067,476	\$ 1,067,476	\$ -	\$ 1,470,485	\$ 1,470,485
Depreciation expense	\$ 19,623	\$ 121,460	\$ 141,083	\$ 17,421	\$ 105,278	\$ 122,699
Amortization expense	\$ -	\$ 41,195	\$ 41,195	\$ -	\$ 21,848	\$ 21,848

Note 1: As of December 31, 2023 and 2022, the Company had 383 and 364 employees, respectively. There were both 7 non-employee directors, respectively.

Note 2: For companies have been listed on the Taiwan stock exchange or are traded on the Taipei Exchange, the following information should be disclosed:

- (a) Average labor expense for the year ended December 31, 2023 was 2,771 thousand (Total labor expense for the year ended December 31, 2023 - total remuneration of directors / Total number of employees for the year ended December 31, 2023 - non-employee directors).

Average labor expense for the year ended December 31, 2022 was 3,953 thousand (Total labor expense for the year ended December 31, 2022 - total remuneration of directors / Total number of employees for the year ended December 31, 2022 - non-employee directors).

- (b) Average wages and salaries for the year ended December 31, 2023 was 2,450 thousand (Total wages and salaries for the year ended December 31, 2023 / Total number of employees for the year ended December 31, 2023 - non-employee directors).

Average wages and salaries for the year ended December 31, 2022 was 3,638 thousand (Total wages and salaries for the year ended December 31, 2022 / Total number of employees for the year ended December 31, 2022 - non-employee directors).

- (c) The average wages and salaries decreased by 32.66% year over year. (Average wages and salaries for the year ended December 31, 2023 - Average wages and salaries for the year ended December 31, 2022 / Average wages and salaries for the year ended December 31, 2022).

- (d) The Company had established an audit committee, so there was no remuneration of the supervisor to disclose.

- (e) According to the Articles of the Company, if the Company makes a profit during the year, 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.