

Sunplus Technology Co., Ltd.
2023 Annual General Shareholders' Meeting
Meeting Proceeding

- I. Time: 9:00a.m., June 13, 2023 (Tuesday)
- II. Place: Newton Palace, Science Park Life Hub
No.1, Industrial East Road 2, Hsinchu Science Park, Taiwan 300
(Hsinchu Science Industrial Park Science and Technology Living Hall)
- III. Present shareholders: 382,255,361 shares of shares represented by attendance and delegates (including 82,573,134 shares of electronic voting shares) are 64.96% of the total 588,434,923 shares of the company with voting rights.
- IV. Chairman: Chou-Chye Huang, Recorder: Meijuan Chen
- V. Attend: Gwin-Attorneys Corporation Lawyer Shigong Guo
- VI. Deloitte Taiwan CPA Yayun Zhang.
- VII. Audit Committee Convener Tse-Jen Huang
- VIII. Independent Director Conglingi Guo.
- IX. Independent Director Chen Ruiqi
- X. Speech by the Chairman (omitted)
- XI. REPORT ITEMS

(1) 2022 Business Report

Explanatory Notes:

The 2022 Business Report is attached hereto as ANNEX 1.

(2) Audit Committee's Review Report

Explanatory Notes:

The Report by Audit Committee is attached hereto as ANNEX 2.

(3) Report on 2022 employees' compensation and remuneration to directors.

Explanatory Notes:

- (1) Handle in accordance with the Company's "Salary and Compensation Committee Organization Rules" and " Articles of Incorporation".
- (2) The Company intends to allocate NT\$2,216,337 for employees' remuneration and NT\$3,324,504 for directors' remuneration in 2022, all in cash.

(4) Report on Share Exchange Conversion between the Company and Sunext Technology Co., Ltd..

Explanatory Notes:

Pursuant to Article 7, Item 2 of the Business Mergers and Acquisitions Act, the Company shall submit reports for matters of the implementation of the share swap case between the Company itself and its subsidiary, Sunext Technology Co., LTD. Please refer to the appendix 3 of this manual.

RECOGNITION ITEMS

(1) T Adoption of the 2022 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Explanatory Notes:

1. Sunplus' 2022 Financial Statements were audited by independent auditors and approved by the Company's audit committee and Board Meeting on 2023/03/15.
2. The 2022 Business Report, the Independent Auditors' Report and Financial Statements are attached hereto as ANNEX 1 and ANNEX 4 to 5.

Resolution:

Explanation of voting results: Approval votes are 369,011,701 rights (including electronic voting rights). Disapproval votes are 77,247 rights (All exercised by electronic vote). Invalid votes are 0. Abstention votes are 13,162,621 rights (All exercised by electronic vote). Approval votes are 96.53% of the total 382,251,569 votes of the attendance shareholders.

(2) Adoption of the Proposal for Distribution of 2022 Profits.

(Proposed by the Board of Directors)

Explanatory Notes:

1. After the Company's 2022 net profit after tax, due to the disposal of equity instrument investments measured at fair value through other comprehensive gains and losses, the accumulated gains and losses were directly transferred to retained earnings with an increase of NT\$36,587,894, and the remeasurement of the defined benefit plan was recognized as an increase of NT\$26,534,272 in retained earnings. After appropriating the statutory surplus reserve of NT\$27,902,069 and the reversal of special surplus reserve of NT\$58,520,579 in accordance with the law, it plans to distribute cash for ordinary shares with the surplus available for distribution for the year 2022. The dividend per share is NT\$0.523, which amounts to NT\$309,613,343. Cash dividends are paid up to NT\$ (rounded up below NT\$), and the total amount of the abnormal amount is included in the Company's other income. The remaining undistributed surplus of NT\$417,810 will be retained for distribution in future years.
2. After this case is approved by the shareholders' meeting of this year (2023), it is proposed to authorize the chairman of the board to set a separate payment base date for processing.
3. If the Company changes its share capital afterwards, which affects the number of shares outstanding, and consequently changes the shareholder's dividend rate, it is proposed to authorize the chairman of the board to adjust it.
4. Please refer to Attachment 6 of this manual for the surplus distribution table for the year 2022.

Resolution:

Explanation of voting results: Approval votes are 373,069,431 rights (including electronic voting rights). Disapproval votes are 102,024 rights (All exercised by electronic vote). Invalid votes are 0. Abstention votes are 9,080,114 rights (All exercised by electronic vote). Approval votes are 97.59% of the total 382,251,569 votes of the attendance shareholders.

DISCUSSION AND ELECTION ITEMS

(1) Adoption of cash distribution from capital surplus.

(Proposed by the Board of Directors)

Explanatory Notes:

- A. The company intends to allocate the capital reserve of NT\$45,583,609 from the share capital premium arising from the issuance of shares due to the company acquisitions and mergers to shareholders in accordance with the shares held in the shareholder register on the base date of the capital reserve distribution of cash, NT\$0.077 in cash per share, and the distribution will be up to NTD (rounded down below NTD)), and the total amount of abnormal items is included in other income of the company.
- B. Once this case has been passed through the resolution of the (2023) annual general meeting of shareholders, it is proposed to authorize the chairman of the board to set a separate allotment base date for handling.
- C. If the company subsequently changes the number of outstanding shares due to changes in share capital, and thus changes the shareholder's allotment rate, it is proposed to authorize the chairman to adjust it and submit it to the shareholders' meeting for approval.

Resolution:

Explanation of voting results: Approval votes are 372,188,500 rights (including electronic voting rights). Disapproval votes are 87,945 rights (All exercised by electronic vote). Invalid votes are 0. Abstention votes are 9,975,124 rights (All exercised by electronic vote). Approval votes are 97.36% of the total 382,251,569 votes of the attendance shareholders.

(2) Amendment to the Operational Procedures for Loaning of Company Funds.

(Proposed by the Board of Directors)

Explanatory Notes:

In order to meet the operational needs of the company, the relevant provisions of the articles of "Operational Procedures for Loaning Funds to Others" have been revised. Please refer to Attachment 7 of this manual for the comparison table of revisions and submit it to the shareholders' meeting for approval.

Resolution:

Explanation of voting results: Approval votes are 372,053,936 rights (including electronic voting rights). Disapproval votes are 210,497 rights (All exercised by electronic vote). Invalid votes are 0. Abstention votes are 9,987,136 rights (All exercised by electronic vote). Approval votes are 97.33% of the total 382,251,569 votes of the attendance shareholders.

(3) To release the Prohibition on Directors from Participation in Competitive Business.

(Proposed by the Board of Directors)

Explanatory Notes:

- A. Pursuant to Article 209 of the Company Act, a director shall act within the scope of business of the Company for himself or others, and shall explain the important contents of his act to the shareholders' meeting, and obtain a resolution approved by the shareholders' meeting.
- B. The director of the Company intends to lift the restriction of competition due to the business needs or the investment or operation of other companies with the same or similar business scope as the Company's business scope and acts as a director or manager. Please refer to Attachment 8 of this manual for the list of newly added persons who have concurrently held positions in other companies. Submit to the shareholders meeting for approval.

Resolution:

Explanation of voting results: Approval votes are 372,007,098rights (including electronic voting rights). Disapproval votes are 258,751 rights (All exercised by electronic vote). Invalid votes are 0. Abstention votes are 9,985,720 rights (All exercised by electronic vote). Approval votes are 97.31% of the total 382,251,569 votes of *the attendance shareholders* .

MEETING ADJOURNED (AM09:21)

There were no questions from shareholders at this ordinary shareholders meeting.

BUSINESS REPORT

2022 Business Results

Sunplus consolidated net operating revenue totaled NT\$6,706 million and the gross profit were NT\$3,301 million in 2022. While R&D expense totaled NT\$2,153 million and the G&A expenses were NT\$616 million, marketing expense were NT\$239 million, Operating profit was NT\$288 million in 2022. Including total non-operating net income NT\$594 million, the profit before tax were NT\$882 million. Excluding the income tax expense NT\$212 million, the net profit of the year totaled NT\$670 million, attributable to owner of the Company were NT\$216 million which the earning per share after tax for 2022 was NT\$0.37.

The consolidated net sales in 2022 decreased 15.77% compared to the same period last year. Gross profit margin is approximately 49%, decreased from 52% in the previous year. 2022 operating net profit decreased by 68.83% compared to 2021.

Non-operating revenue decreased from 1,135 million in 2021 to 594 million in 2022, mainly because the net profit of financial assets measured at fair value through profit and loss in 2022 decreased by 110 million compared to 2021, and disposal of Company benefits recognized by equity method increased 449 million.

The IFRS Consolidated Statement exposes other comprehensive gains and losses in 2022, including the difference between the conversion of financial statements of foreign operating institutions, unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income, determine the number of reassessments of the welfare plan, the shareholding of related enterprises recognized by equity method, the total net after-tax other comprehensive profit and loss in 2022 is NT\$113 million. The total consolidated profit and loss in 2022 was NT\$784 million, the consolidated profit and loss was attributed to NT\$326 million by the owner of the Company.

PRODUCTS R&D, TECHNOLOGIES AND OUTLOOK

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

Sunplus is currently focuses on the development, in addition to Automotive Infotainment System (In-Vehicle Infotainment), Display Audio chip, advanced driver assistance system (ADAS) automotive chip, In addition to airlyra's SoundBar chip, audio-visual entertainment system and other chip products, it also introduces the smart computing chip Plus1 suitable for AIoT applications. It also provides IP authorization for high-speed interfaces, data converters, and analogs.

With the popularity of smart phones, the convenience of being integrated with the car's infotainment system when getting on the car makes this system a standard equipment for the front of new cars! The thinning of the TV has weakened the sound effect, and the external SoundBar has become the best cost-effective option to improve the sound effect. The growth momentum of these systems will be the main source of growth for Sunplus's revenue and profit. The revolutionary breakthrough of the intelligent computing chip Plus1, which greatly reduces the threshold for the development of edge computing applications. It will be the best solution for a small number of diverse AIoT new applications, and countless innovative applications will be commercialized to benefit the crowd.

The main product lines of Generalplus include: consumer IC, multimedia IC and MCU and other product lines. The main application products include interactive toys, education and learning, driving recorders, sports DV, wireless charging, motor control, etc. In terms of consumer ICs, the Company developed a more cost-effective product, 32-bit Cortex-M0 Voice/Music Synthesis Control SOC. Multimedia products: developed a new generation of high-end 40nm 32-bit multimedia platform SOC with built-in Cortex-A7 CPU, 3D GPU, deep learning engine, image, voice processing units, high-speed audio and video interfaces etc., to assist the clients to develop various applications such as human-machine interface platform, driving recorder, action camera, aerial camera, hunting machine, etc. MCU products: Completed the development of a 32-bit package miniaturized sine wave drive control IC, and completed the development of a 32-bit medical measurement IC for ear thermometers, carbon dioxide measurement and other applications.

78% of Sunplus Innovation Technology sales in 2022 come from PC-related cameras, and the other 22% of sales come from USB external cameras, driving pulls, high-speed cameras, and IoT-related.

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

EXTERNAL COMPETITION, REGULATIONS, AND OVERALL ECONOMIC ENVIRONMENT

In 2022, due to the impact of the Russia-Ukraine war, global inflation rate hikes, and China's zero-covid lockdown, the overall inventory has risen, and market visibility is still unclear. Facing the changing situation, in addition to providing customers with more cost-effective products to reduce inventory, the company will continue to invest more R&D resources, accelerate the development of new products, and respond to market changes. The Group Company will continue to invest in technology and product development, which focuses on AIoT Edge Computing.

Looking forward to 2023, Covid-19 restrictions are fully lifted, and the world's major economies are revitalizing. The main challenges include: when will the Russia-Ukraine war last? Has the international inflation been eased? The bottleneck of industrial growth is no longer Foundry, but the demand created by economic growth? The Company will pay close attention to changes in the international economic environment, adjust the pace of product research and development in a timely manner, and comply with market demand.

Future company development strategy

Sunplus Technology includes all of the merged individuals of the Group, will continue to deepen the core competitiveness of various fields, efforts to expand the market, Improve product value and observe market trends, adjust and optimize product lines and investments, Improve industry and industry performance, at the same time actively investing in advanced technology, open up new products and markets, reserve a new wave of growth momentum. Expect to continue to increase profits, return the long-term support of shareholders.

Chairman of the Board:

Manager:

Accountant:

REPORT BY AUDIT COMMITTEE

Sunplus' Board has prepared and submitted the 2022 business report, Financial statements and Earnings distribution proposals, etc. The CPAs of Deloitte & Touche were retained to audit those financial statements and have submitted the audit report. The above-mentioned business report, financial statement and surplus distribution proposal have been reviewed by this audit committee. According to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Law, the Committee hereby submits this report.

Please check

Sincerely

To Sunplus Technology 2023 Annual Shareholders' Meeting

Audit Committee Convenor: Tse-Jen Huang

March 15, 2023

SUNPLUS TECHNOLOGY CO. LTD
REPORT OF SHARE SWAP BETWEEN THE COMPANY AND SUNEXT TECHNOLOGY CO. LTD

- (1) Pursuant to article 7, item 2 of the business mergers and acquisitions Act, the Company shall submit reports for matters of the implementation of the share swap case between the Company itself and its subsidiary, Sunext technology co., ltd, hereinafter referred to as Sunext.
- (2) To simplify shareholding structure and improve the Group's operating performance, on July 7, 2022, the board of directors of the Company and Sunext approved to proceed share swap in accordance with the share swap contract agreed by both parties and Article 30 and relative provisions of the business mergers and acquisitions Act. The Company paid Sunext's shareholders, other than the Company's shareholders, with cash to acquire all of the issued shares of Sunext so that Sunext became a 100% subsidiary of the Company. The consideration for each ordinary share of Sunext obtained by the Company is NT\$4.0976 in cash. The base date for share swap is August 31, 2022.

ACCOUNTANT AUDIT REPORT

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sunplus Technology Company Limited

Opinion

We have audited the accompanying financial statements of Sunplus Technology Company Limited, which comprise the balance sheets as of December 31, 2022 and 2021, and 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 Sunplus Technology Company Limited as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in Sunplus Technology Company Limited's financial statements for the year ended December 31, 2022 is as follows:

Occurrence of Revenue from Specific Customers

Integrated circuit chip sales accounted for 94% of Sunplus Technology Company Limited's total revenue. Among them revenue declined in 2022, some of the customers whose revenue has grown significantly and significant amount carry a higher risk related to the occurrence of sales revenue. Therefore, we considered the occurrence of revenue as a key audit matter. For detailed disclosure of revenue, refer to Notes 4 and 21 to the accompanying consolidated financial statements.

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sunplus Technology Company Limited's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Sunplus Technology Company Limited's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate,

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Sunplus Technology Company Limited to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within Sunplus Technology Company Limited to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2023

Notice to Readers

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 247,016	2	\$ 570,964	5
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	15,480	-	153,633	1
Trade receivables, net (Notes 4, 5, 8, 21 and 29)	184,390	2	268,597	2
Other receivables (Notes 4, 23 and 29)	83,819	1	32,111	-
Inventories (Notes 4 and 9)	973,340	9	534,231	5
Non-current assets held for sale (Notes 4 and 10)	-	-	108,504	1
Other financial assets - current (Notes 15 and 25)	43,610	-	25,940	-
Other current assets (Note 15)	<u>53,505</u>	<u>1</u>	<u>87,962</u>	<u>1</u>
Total current assets	<u>1,601,160</u>	<u>15</u>	<u>1,781,942</u>	<u>15</u>
NON-CURRENT ASSETS				
Financial assets at FVTPL - non-current (Notes 4 and 7)	276,006	3	515,261	5
Investments accounted for using the equity method (Notes 4, 10 and 11)	7,971,850	72	8,222,020	70
Property, plant and equipment (Notes 4, 12, 29 and 30)	744,972	7	726,737	6
Right-of-use assets (Notes 4 and 13)	163,350	1	165,563	2
Intangible assets (Notes 4 and 14)	187,370	2	244,238	2
Deferred tax assets (Notes 4 and 23)	2,485	-	2,485	-
Net defined benefit assets - non-current (Notes 4 and 19)	31,993	-	4,553	-
Other financial assets- non-current (Notes 15 and 30)	10,500	-	8,350	-
Other non-current assets (Note 15)	<u>9,095</u>	<u>-</u>	<u>7,973</u>	<u>-</u>
Total non-current assets	<u>9,397,621</u>	<u>85</u>	<u>9,897,180</u>	<u>85</u>
TOTAL	<u>\$ 10,998,781</u>	<u>100</u>	<u>\$ 11,679,122</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 21)	\$ 14,027	-	\$ 11,094	-
Accounts payable (Note 17 and 29)	172,086	2	294,804	3
Lease liabilities - current (Notes 4 and 13)	5,169	-	4,074	-
Current portion of long-term bank borrowings (Note 16)	-	-	46,000	-
Other current liabilities (Notes 11, 18 and 29)	<u>327,805</u>	<u>3</u>	<u>590,373</u>	<u>5</u>
Total current liabilities	<u>519,087</u>	<u>5</u>	<u>946,345</u>	<u>8</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	1,000,000	9	384,000	3
Lease liabilities - non-current (Notes 4 and 13)	165,077	2	166,801	1
Guarantee deposits	46,820	-	53,649	1
Other liabilities (Note 18)	<u>5,709</u>	<u>-</u>	<u>9,990</u>	<u>-</u>
Total non-current liabilities	<u>1,217,606</u>	<u>11</u>	<u>614,440</u>	<u>5</u>
Total liabilities	<u>1,736,693</u>	<u>16</u>	<u>1,560,785</u>	<u>13</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital (Notes 4 and 20)				
Ordinary shares	<u>5,919,949</u>	<u>54</u>	<u>5,919,949</u>	<u>51</u>
Capital surplus	<u>1,197,373</u>	<u>11</u>	<u>1,223,544</u>	<u>11</u>
Retained earnings				
Legal reserve	1,870,234	17	1,745,279	15
Special reserve	239,203	2	261,078	2
Unappropriated earnings	<u>279,413</u>	<u>3</u>	<u>1,249,574</u>	<u>11</u>
Total retained earnings	<u>2,388,850</u>	<u>22</u>	<u>3,255,931</u>	<u>28</u>
Equity directly associated with non-current assets held for sale	-	-	21,517	-
Other equity	<u>(180,683)</u>	<u>(2)</u>	<u>(239,203)</u>	<u>(2)</u>
Treasury shares	<u>(63,401)</u>	<u>(1)</u>	<u>(63,401)</u>	<u>(1)</u>
Total equity	<u>9,262,088</u>	<u>84</u>	<u>10,118,337</u>	<u>87</u>
TOTAL	<u>\$ 10,998,781</u>	<u>100</u>	<u>\$ 11,679,122</u>	<u>100</u>

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 21 and 29)	\$ 1,374,542	100	\$ 1,520,142	100
OPERATING COSTS (Notes 9, 22 and 29)	<u>918,272</u>	<u>67</u>	<u>867,208</u>	<u>57</u>
GROSS PROFIT	<u>456,270</u>	<u>33</u>	<u>652,934</u>	<u>43</u>
OPERATING EXPENSES (Notes 22 and 29)				
Selling and marketing expenses	98,693	7	234,095	15
General and administrative expenses	210,047	15	202,318	13
Research and development expenses	<u>1,034,676</u>	<u>75</u>	<u>829,631</u>	<u>55</u>
Total operating expenses	<u>1,343,416</u>	<u>97</u>	<u>1,266,044</u>	<u>83</u>
LOSS FROM OPERATIONS	<u>(887,146)</u>	<u>(64)</u>	<u>(613,110)</u>	<u>(40)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 11, 22, 25 and 29)				
Interest income	1,585	-	955	-
Other income	183,754	13	183,753	12
Other gains and losses	362,436	26	252,070	17
Finance costs	(13,975)	(1)	(9,338)	(1)
Share of profit or loss of subsidiaries and associates	<u>569,439</u>	<u>42</u>	<u>1,368,888</u>	<u>90</u>
Total non-operating income and expenses	<u>1,103,239</u>	<u>80</u>	<u>1,796,328</u>	<u>118</u>
PROFIT BEFORE INCOME TAX	216,093	16	1,183,218	78
INCOME TAX EXPENSE (Notes 4 and 23)	<u>194</u>	<u>-</u>	<u>433</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>215,899</u>	<u>16</u>	<u>1,182,785</u>	<u>78</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss (Notes 4 and 19):				
Remeasurement of defined benefit plans	27,762	2	430	-
Share of other comprehensive (loss) income of subsidiaries and associates accounted for using equity method	(29,155)	(2)	118,678	8
Items that may be reclassified subsequently to profit or loss (Notes 4 and 20):				

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
Exchange differences on translation of the financial statements of foreign operations	81,686	6	(18,998)	(1)
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	<u>29,332</u>	<u>2</u>	<u>(12,491)</u>	<u>(1)</u>
Other comprehensive income for the year, net of income tax	<u>109,625</u>	<u>8</u>	<u>87,619</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>\$ 325,524</u></u>	<u><u>24</u></u>	<u><u>\$ 1,270,404</u></u>	<u><u>84</u></u>
EARNINGS PER SHARE (Note 24)				
Basic earnings per share	<u><u>\$ 0.37</u></u>		<u><u>\$ 2.01</u></u>	
Diluted earnings per share	<u><u>\$ 0.37</u></u>		<u><u>\$ 2.01</u></u>	

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

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	Share Capital Issued and Outstanding		Capital Surplus	Retained Earnings			Equity Directly Associated with Non-current Assets Held for Sale	Other Equity			Total Equity
	Share (Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings		Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Losses from Investments in Equity Instruments at FVTOCI	Treasury Shares	
BALANCE AT JANUARY 1, 2021	591,995	\$ 5,919,949	\$ 500,820	\$ 1,712,390	\$ 276,189	\$ 328,894	\$ -	\$ (228,023)	\$ (33,055)	\$ (63,401)	\$ 8,413,763
Appropriation of the 2020 earnings											
Legal reserve	-	-	-	32,889	-	(32,889)	-	-	-	-	-
Special reserve reversed	-	-	-	-	(15,111)	15,111	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(311,093)	-	-	-	-	(311,093)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	153,013	-	-	-	-	-	-	-	153,013
Difference between consideration and carrying amount of the subsidiaries during actual disposal or acquisition	-	-	91,451	-	-	-	-	-	1,022	-	92,473
Changes in percentage of ownership interest in subsidiaries	-	-	497,906	-	-	-	-	-	-	-	497,906
Net profit for the year ended December 31, 2021	-	-	-	-	-	1,182,785	-	-	-	-	1,182,785
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	1,188	-	(31,489)	117,920	-	87,619
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,183,973	-	(31,489)	117,920	-	1,270,404
Adjustments to capital surplus for the Company cash dividends received by subsidiaries	-	-	1,871	-	-	-	-	-	-	-	1,871
Equity directly associated with non-current assets held for sale	-	-	(21,517)	-	-	-	21,517	-	-	-	-
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	65,578	-	-	(65,578)	-	-
BALANCE AT DECEMBER 31, 2021	591,995	5,919,949	1,223,544	1,745,279	261,078	1,249,574	21,517	(259,512)	20,309	(63,401)	10,118,337
Appropriation of the 2021 earnings											
Legal reserve	-	-	-	124,955	-	(124,955)	-	-	-	-	-
Special reserve reversed	-	-	-	-	(21,875)	21,875	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,146,102)	-	-	-	-	(1,146,102)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	27,879	-	-	-	(21,517)	-	-	-	6,362
Issuance of share dividends from capital surplus	-	-	(37,888)	-	-	-	-	-	-	-	(37,888)
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	-	12,017	-	-	12,017
Difference between consideration and carrying amount of the subsidiaries during actual disposal or acquisition	-	-	(922)	-	-	-	-	-	-	-	(922)
Changes in percentage of ownership interest in subsidiaries	-	-	(22,360)	-	-	-	-	-	-	-	(22,360)
Net profit for the year ended December 31, 2022	-	-	-	-	-	215,899	-	-	-	-	215,899
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	26,534	-	111,018	(27,927)	-	109,625
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	242,433	-	111,018	(27,927)	-	325,524
Adjustments to capital surplus for the Company cash dividends received by subsidiaries	-	-	7,120	-	-	-	-	-	-	-	7,120
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	36,588	-	-	(36,588)	-	-
BALANCE AT DECEMBER 31, 2022	591,995	\$ 5,919,949	\$ 1,197,373	\$ 1,870,234	\$ 239,203	\$ 279,413	\$ -	\$ (136,477)	\$ (44,206)	\$ (63,401)	\$ 9,262,088

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 216,093	\$ 1,183,218
Adjustments for:		
Depreciation expense	159,068	85,476
Amortization expense	96,271	90,302
Net loss (gain) on the fair value change of financial assets at FVTPL	176,260	(221,022)
Financial costs	13,975	9,338
Interest income	(1,585)	(955)
Dividend income	(75,900)	(67,142)
Share of profit of subsidiaries and associates	(569,439)	(1,368,888)
Gain on disposal of subsidiaries	(73,962)	-
Gain on disposal of associates	(449,000)	-
Impairment loss recognized on financial assets	6,826	-
Impairment loss recognized on non-financial assets	457	-
Unrealized (gain) loss on the transactions with subsidiaries and associates	(1,387)	1,096
Net (gain) loss on foreign currency exchange	(8,090)	1,492
Changes in operating assets and liabilities:		
Decrease (increase) in trade receivables	80,598	(97,519)
Increase in other receivables	(6,983)	(18,754)
Increase in inventories	(439,109)	(233,501)
Decrease (increase) in other current assets	20,108	(51,531)
Increase in net defined benefit assets - non-current	(27,440)	(113)
Increase in contract liabilities	2,933	5,505
(Decrease) increase in trade payables	(122,442)	190,674
(Decrease) increase in other current liabilities	(197,570)	257,288
Increase in net defined benefit liabilities - non-current	<u>27,762</u>	<u>430</u>
Cash used in operations	(1,172,556)	(234,606)
Interest received	1,589	1,092
Dividends received	991,848	517,746
Interest paid	(13,124)	(9,214)
Income tax paid	<u>(194)</u>	<u>(433)</u>
Net cash (used in) generated from operating activities	<u>(192,437)</u>	<u>274,585</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of financial assets at FVTOCI	33,539	-
Purchase of financial assets at FVTPL	(82,393)	(40,000)
Proceeds from the sale of financial assets at FVTPL	197,611	118,577
Acquisition of Investments accounted for using equity method	(19,294)	(372,116)
Proceeds from disposal of subsidiaries	86,000	-
Proceeds from disposal of associates	535,987	-
Payments for property, plant and equipment	(205,872)	(54,273)
Increase in refundable deposits	(1,180)	(59)
Decrease in refundable deposits	57	32

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Payments for intangible assets	(44,516)	(63,398)
Increase in other financial assets	<u>(19,820)</u>	<u>(28,190)</u>
Net cash generated from (used in) investing activities	<u>480,119</u>	<u>(439,427)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	-	(28,480)
Proceeds from long-term borrowings	1,000,000	400,000
Repayments of long-term borrowings	(430,000)	(200,000)
Proceeds from guarantee deposits received	-	590
Refund of guarantee deposits received	(11,071)	(783)
Repayment of the principal portion of lease liabilities	(4,408)	(4,020)
Cash dividends paid	(1,183,990)	(311,093)
Partial disposal of interests in subsidiaries without a loss of control	<u>-</u>	<u>108,953</u>
Net cash used in financing activities	<u>(629,469)</u>	<u>(34,833)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>17,839</u>	<u>(3,386)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(323,948)	(203,061)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>570,964</u>	<u>774,025</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 247,016</u>	<u>\$ 570,964</u>

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

(Concluded)

The Board of Directors and Shareholders
Sunplus Technology Company Limited

Opinion

We have audited the accompanying consolidated financial statements of Sunplus Technology Company Limited and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sunplus Technology Company Limited and its subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in Sunplus Technology Company Limited and its subsidiaries' consolidated financial statements for the year ended December 31, 2022 is as follows:

Occurrence of Revenue from Specific Customers

Integrated circuit chip sales accounted for 94% of Sunplus Technology Company Limited and its subsidiaries' total revenue. Among them revenue declined in 2022, some of the customers whose revenue has grown significantly and significant amount carry a higher risk related to the occurrence of sales revenue. Therefore, we considered the occurrence of revenue as a key audit matter. For detailed disclosure of revenue, refer to Notes 4 and 24 to the accompanying consolidated financial statements.

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

1. We obtained an understanding of the related internal control and operating procedures in the Company's sales transaction cycle, and we evaluated and confirmed the operating effectiveness of the related internal control and operating procedures.

2. We selected samples from the sales details, and we examined customers' original orders, sales electronic orders, delivery orders, logistics receipt documents or export declaration, and sales invoices for any abnormalities and confirmed that sales revenue did occur .

Other Matter

We have also audited the parent company only financial statements of Sunplus Technology Company Limited as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Sunplus Technology Company Limited and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within Sunplus Technology Company Limited and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of Sunplus Technology Company Limited and its subsidiaries audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2023

Notice to Readers

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

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,427,919	29	\$ 4,835,568	30
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	678,017	5	1,671,234	10
Notes receivable and trade receivables, net (Notes 4, 5, 9, 24 and 34)	887,148	6	1,285,944	8
Other receivables (Notes 4, 9 and 34)	139,427	1	67,770	-
Inventories (Notes 4 and 10)	2,246,656	15	1,467,713	9
Non-current assets held for sale (Notes 4 and 11)	-	-	108,504	1
Other financial assets - current (Notes 18)	48,018	-	76,765	-
Other current assets (Notes 18 and 34)	103,069	1	136,271	1
Total current assets	<u>8,530,254</u>	<u>57</u>	<u>9,649,769</u>	<u>59</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	1,524,969	10	1,729,632	11
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	295,555	2	216,256	1
Investments accounted for using the equity method (Notes 4 and 13)	932,789	6	949,897	6
Property, plant and equipment (Notes 4, 14 and 35)	1,930,269	13	1,936,640	12
Right-of-use assets (Notes 4 and 15)	202,111	1	213,324	1
Investment properties (Notes 4 and 16)	890,156	6	948,038	6
Intangible assets (Notes 4 and 17)	248,585	2	326,919	2
Deferred tax assets (Notes 4 and 26)	59,008	-	38,066	-
Net defined benefit assets - non-current (Notes 4 and 22)	31,993	-	4,553	-
Other financial assets - non-current (Notes 18 and 35)	230,100	2	234,555	1
Other non-current assets (Note 18)	144,958	1	129,750	1
Total non-current assets	<u>6,490,493</u>	<u>43</u>	<u>6,727,630</u>	<u>41</u>
TOTAL	<u>\$ 15,020,747</u>	<u>100</u>	<u>\$ 16,377,399</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19)	\$ 42,000	-	\$ 143,773	1
Contract liabilities - current (Note 24)	53,462	1	30,109	-
Accounts payable (Note 20)	420,335	3	924,523	6
Current tax liabilities (Notes 4 and 26)	145,222	1	254,071	1
Lease liabilities - current (Notes 4 and 15)	13,071	-	12,166	-
Deferred revenue - current (Notes 4, 21 and 29)	1,921	-	1,883	-
Current portion of long-term bank borrowings (Note 19)	-	-	46,000	-
Other current liabilities (Note 21)	1,063,701	7	1,433,513	9
Total current liabilities	<u>1,739,712</u>	<u>12</u>	<u>2,846,038</u>	<u>17</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 19 and 35)	1,000,000	7	384,000	3
Lease liabilities - non-current (Notes 4 and 15)	197,690	1	207,912	1
Deferred revenue - non-current (Notes 4, 21 and 29)	54,905	-	55,978	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	18,277	-	19,712	-
Guarantee deposits	268,638	2	263,745	2
Other liabilities (Note 21)	6,597	-	20,918	-
Total non-current liabilities	<u>1,546,107</u>	<u>10</u>	<u>952,265</u>	<u>6</u>
Total liabilities	<u>3,285,819</u>	<u>22</u>	<u>3,798,303</u>	<u>23</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 23 and 31)				
Share capital				
Ordinary shares	<u>5,919,949</u>	<u>39</u>	<u>5,919,949</u>	<u>36</u>
Capital surplus	<u>1,197,373</u>	<u>8</u>	<u>1,223,544</u>	<u>7</u>
Retained earnings				
Legal reserve	1,870,234	12	1,745,279	11
Special reserve	239,203	2	261,078	1
Unappropriated earnings	<u>279,413</u>	<u>2</u>	<u>1,249,574</u>	<u>8</u>
Total retained earnings	<u>2,388,850</u>	<u>16</u>	<u>3,255,931</u>	<u>20</u>
Equity directly associated with non-current assets held for sale	-	-	21,517	-
Other equity	<u>(180,683)</u>	<u>(1)</u>	<u>(239,203)</u>	<u>(1)</u>
Treasury shares	<u>(63,401)</u>	<u>-</u>	<u>(63,401)</u>	<u>-</u>
Total equity attributable to owners of the Company	9,262,088	62	10,118,337	62
NON-CONTROLLING INTERESTS (Notes 4, 12, 23 and 31)	<u>2,472,840</u>	<u>16</u>	<u>2,460,759</u>	<u>15</u>
Total equity	<u>11,734,928</u>	<u>78</u>	<u>12,579,096</u>	<u>77</u>
TOTAL	<u>\$ 15,020,747</u>	<u>100</u>	<u>\$ 16,377,399</u>	<u>100</u>

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 24 and 34)	\$ 6,705,708	100	\$ 7,960,831	100
OPERATING COSTS (Notes 10 and 25)	<u>3,404,941</u>	<u>51</u>	<u>3,799,225</u>	<u>48</u>
GROSS PROFIT	<u>3,300,767</u>	<u>49</u>	<u>4,161,606</u>	<u>52</u>
OPERATING EXPENSES (Notes 25 and 34)				
Selling and marketing expenses	239,183	4	521,124	6
General and administrative expenses	616,032	9	628,046	8
Research and development expenses	2,153,458	32	2,088,699	26
Expected credit loss (Note 9)	<u>-</u>	<u>-</u>	<u>34</u>	<u>-</u>
Total operating expenses	<u>3,008,673</u>	<u>45</u>	<u>3,237,903</u>	<u>40</u>
OTHER OPERATING INCOME AND EXPENSES	<u>(4,204)</u>	<u>-</u>	<u>(167)</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>287,890</u>	<u>4</u>	<u>923,536</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 13, 25, 29 and 34)				
Interest income	38,307	-	25,466	-
Other income	281,389	4	242,732	3
Other gains and losses	307,202	5	846,131	11
Finance costs	(17,139)	-	(14,161)	-
Share of profit or loss of associates	<u>(15,299)</u>	<u>-</u>	<u>34,623</u>	<u>-</u>
Total non-operating income and expenses	<u>594,460</u>	<u>9</u>	<u>1,134,791</u>	<u>14</u>
PROFIT BEFORE INCOME TAX	882,350	13	2,058,327	26
INCOME TAX EXPENSE (Notes 4 and 26)	<u>211,893</u>	<u>3</u>	<u>302,085</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>670,457</u>	<u>10</u>	<u>1,756,242</u>	<u>22</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss (Notes 4 and 23):				
Remeasurement of defined benefit plans	26,374	-	1,501	-

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	\$ (5,975)	-	\$ 89,921	1
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(22,533)	-	27,450	-
Items that may be reclassified subsequently to profit or loss (Notes 4 and 23):				
Exchange differences on translation of the financial statements of foreign operations	114,760	2	(33,290)	-
Share of other comprehensive income (loss) of associates accounted for using the equity method	<u>768</u>	<u>-</u>	<u>(269)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>113,394</u>	<u>2</u>	<u>85,313</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 783,851</u>	<u>12</u>	<u>\$ 1,841,555</u>	<u>23</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 215,899	3	\$ 1,182,785	15
Non-controlling interests	<u>454,558</u>	<u>7</u>	<u>573,457</u>	<u>7</u>
	<u>\$ 670,457</u>	<u>10</u>	<u>\$ 1,756,242</u>	<u>22</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 325,524	5	\$ 1,270,404	16
Non-controlling interests	<u>458,327</u>	<u>7</u>	<u>571,151</u>	<u>7</u>
	<u>\$ 783,851</u>	<u>12</u>	<u>\$ 1,841,555</u>	<u>23</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 0.37</u>		<u>\$ 2.01</u>	
Diluted	<u>\$ 0.37</u>		<u>\$ 2.01</u>	

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

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											Non-controlling Interests	Total Equity
	Share Capital Issued and Outstanding			Retained Earnings			Equity Directly Associated with Non-current Assets Held for Sale	Other Equity					
	Share (Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings		Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total		
BALANCE AT JANUARY 1, 2021	591,995	\$ 5,919,949	\$ 500,820	\$ 1,712,390	\$ 276,189	\$ 328,894	\$ -	\$ (228,023)	\$ (33,055)	\$ (63,401)	\$ 8,413,763	\$ 1,605,238	\$ 10,019,001
Appropriation of 2020 earnings													
Legal reserve	-	-	-	32,889	-	(32,889)	-	-	-	-	-	-	-
Special reserve reversed	-	-	-	-	(15,111)	15,111	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(311,093)	-	-	-	-	(311,093)	-	(311,093)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	153,013	-	-	-	-	-	-	-	153,013	-	153,013
Issuance of cash dividends from capital surplus	-	-	-	-	-	-	-	-	-	-	-	-	-
Difference between the consideration and carrying amount of subsidiaries during actual disposal or acquisition	-	-	91,451	-	-	-	-	-	1,022	-	92,473	-	92,473
Changes in percentage of ownership interest in subsidiaries	-	-	497,906	-	-	-	-	-	-	-	497,906	(497,906)	-
Net profit for the year ended December 31, 2021	-	-	-	-	-	1,182,785	-	-	-	-	1,182,785	573,457	1,756,242
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	1,188	-	(31,489)	117,920	-	87,619	(2,306)	85,313
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,183,973	-	(31,489)	117,920	-	1,270,404	571,151	1,841,555
Adjustment of capital surplus for the Company													
Cash dividends received by subsidiaries	-	-	1,871	-	-	-	-	-	-	-	1,871	-	1,871
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	782,276	782,276
Equity directly associated with non-current assets held for sale	-	-	(21,517)	-	-	-	21,517	-	-	-	-	-	-
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	65,578	-	-	(65,578)	-	-	-	-
BALANCE AT DECEMBER 31, 2021	591,995	5,919,949	1,223,544	1,745,279	261,078	1,249,574	21,517	(259,512)	20,309	(63,401)	10,118,337	2,460,759	12,579,096
Appropriation of 2021 earnings													
Legal reserve	-	-	-	124,955	-	(124,955)	-	-	-	-	-	-	-
Special reserve reversed	-	-	-	-	(21,875)	21,875	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,146,102)	-	-	-	-	(1,146,102)	-	(1,146,102)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	27,879	-	-	-	(21,517)	-	-	-	6,362	-	6,362
Issuance of cash dividends from capital surplus	-	-	(37,888)	-	-	-	-	-	-	-	(37,888)	-	(37,888)
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	-	12,017	-	-	12,017	-	12,017
Difference between the consideration and carrying amount of subsidiaries during actual disposal or acquisition	-	-	(922)	-	-	-	-	-	-	-	(922)	-	(922)
Changes in percentage of ownership interest in subsidiaries	-	-	(22,360)	-	-	-	-	-	-	-	(22,360)	22,360	-
Net profit for the year ended December 31, 2022	-	-	-	-	-	215,899	-	-	-	-	215,899	454,558	670,457
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	26,534	-	111,018	(27,927)	-	109,625	3,769	113,394
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	242,433	-	111,018	(27,927)	-	325,524	458,327	783,851
Adjustment of capital surplus for the Company													
Cash dividends received by subsidiaries	-	-	7,120	-	-	-	-	-	-	-	7,120	-	7,120
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(468,606)	(468,606)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	36,588	-	-	(36,588)	-	-	-	-
BALANCE AT DECEMBER 31, 2022	591,995	\$ 5,919,949	\$ 1,197,373	\$ 1,870,234	\$ 239,203	\$ 279,413	\$ -	\$ (136,477)	\$ (44,206)	\$ (63,401)	\$ 9,262,088	\$ 2,472,840	\$ 11,734,928

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

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 882,350	\$ 2,058,327
Adjustments for:		
Depreciation expense	344,059	278,515
Amortization expense	139,283	133,228
Expected credit loss recognized on trade receivables	-	34
Net loss (gain) on fair value change of financial assets at FVTPL	262,869	(837,439)
Finance costs	17,139	14,161
Interest income	(38,307)	(25,466)
Dividend income	(117,124)	(91,022)
Compensation costs of share-based payments	109,586	92,154
Share of profits of associates	15,299	(34,623)
(Gain) loss on disposal of property, plant and equipment	(16)	171
Loss on disposal of intangible assets	4,220	-
Gain on disposal of subsidiaries	(71,274)	-
Gain on disposal of associates	(449,000)	-
Impairment loss recognized on financial assets	6,826	-
Impairment loss recognized on non-financial assets	460	-
Unrealized (gain) loss on transactions with associates	(1,256)	1,228
Net loss (gain) on foreign currency exchange	4,039	(3,969)
Gain on lease modification	-	(4)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable and trade receivables	385,513	(84,354)
Increase in other receivables	(41,613)	(34,623)
Increase in inventories	(779,094)	(606,663)
Decrease (increase) in other current assets	3,623	(14,040)
Increase in net defined benefits assets - non-current	(27,440)	(113)
Increase in contract liabilities	23,197	3,928
(Decrease) increase in accounts payables	(499,962)	476,960
Decrease in deferred revenue	(1,916)	(1,881)
(Decrease) increase in other current liabilities	(321,727)	652,317
Increase (decrease) in net defined benefits liabilities - non-current	<u>24,939</u>	<u>(39,106)</u>
Cash (used in) generated from operations	(125,327)	1,937,720
Interest received	36,777	26,970
Dividends received	134,419	141,273
Interest paid	(19,915)	(14,161)
Income tax paid	<u>(341,684)</u>	<u>(216,352)</u>
Net cash (used in) generated from operating activities	<u>(315,730)</u>	<u>1,875,450</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(127,510)	(58,583)

(Continued)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Proceeds from the sale of financial assets at fair value through other comprehensive income	44,259	123,882
Purchase of financial assets at fair value through profit or loss	(1,475,697)	(2,399,006)
Proceeds from the sale of financial assets at fair value through profit or loss	2,414,358	1,824,231
Acquisition of associates	-	(174,000)
Proceeds from disposal of associates	535,987	-
Proceeds from disposal of subsidiaries	83,827	-
Payments for property, plant and equipment	(267,590)	(122,866)
Proceeds from the disposal of property, plant and equipment	352	182
Increase in refundable deposits	(3,228)	(96,719)
Decrease in refundable deposits	761	1,421
Payments for intangible assets	(62,958)	(159,316)
Decrease on other financial assets	<u>39,812</u>	<u>86,445</u>
Net cash generated from (used in) investing activities	<u>1,182,373</u>	<u>(974,329)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(101,773)	(170,488)
Proceeds from long-term borrowings	1,000,000	400,000
Repayments of long-term borrowings	(430,000)	(200,000)
Proceeds of guarantee deposits received	32,925	59,667
Refund of guarantee deposits received	(42,046)	(5,490)
Repayment of principal portion of lease liabilities	(10,205)	(13,197)
(Decrease) increase in other liabilities	(10,039)	3,555
Cash dividends paid	(1,176,870)	(309,222)
Dividends paid to non-controlling interests	(557,998)	(283,972)
Partial disposal of interests in subsidiaries without a loss of control	-	108,953
(Decrease) increase in non-controlling interests	<u>(19,384)</u>	<u>957,614</u>
Net cash (used in) generated from financing activities	<u>(1,315,390)</u>	<u>547,420</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>41,098</u>	<u>(13,455)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(407,649)	1,435,086
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,835,568</u>	<u>3,400,482</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 4,427,919</u>	<u>\$ 4,835,568</u>

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

(Concluded)

SUNPLUS TECHNOLOGY CO. LTD
Earnings distribution table
2022

ITEMS	AMOUNT (NT\$)
Undistributed surplus at the beginning of the period	391,958
Net profit after tax in 2022	215,898,519
Disposal of equity at fair value through other comprehensive profit or loss Instrument investment, accumulated profits and losses are directly transferred to retained earnings	36,587,894
Defined benefit plan re-measurement recognized in retained earnings	26,534,272
Appropriation of legal reserve	(27,902,069)
Special reserve reversed	58,520,579
Distributable surplus for the current period	310,031,153
Assign items:	
Shareholder dividends-cash dividends on ordinary shares (NT\$ 0.523 per share)	(309,613,343)
Undistributed surplus at the end of the period	417,810

Description:

1. Due to the disposal of equity instrument investments measured at fair value through other comprehensive gains and losses, the accumulated gains and losses were directly transferred to retained earnings, an increase of NT\$36,587,894, and the re-measurement of the defined benefit plan was recognized as an increase of NT\$26,534,272 in retained earnings.
2. Shareholder Dividends - Cash dividends for ordinary shares are NT\$0.523 per share, totaling NT\$309,613,343. The cash dividends are distributed up to NT\$ (rounded down below NT\$), and the total amount of any odds and ends is included in other income of the company.
3. Once this case is proposed and passed through the resolution of the (2023) Annual General Meeting of Shareholders, it is proposed to authorize the chairman to make a decision on the base date of dividend distribution.

4. The Company will affect the number of outstanding shares due to changes in its share capital, which will result in the occurrence of the dividend rate for shareholders. If there is any change, please authorize the chairman to adjust it.

Chairman of the board:

Manager:

Accountant:

Sunplus Technology Co., Ltd.
Comparison Table of Amendments to the Operational Procedures for
Loaning Funds to Others

Article	Content		Reason for revision
	Before revision	After revision	
Article 4	<p>Operational Procedures for Loaning Funds</p> <p>(1) Due Diligence Any borrower, when applying for a loan from the Company, shall submit an application in writing with certain basic business information and financial data to the Company to check the funding credit. <u>The finance and accounting department of the Company</u> shall prepare a report for extending loans after checking the borrower's business information, financial data, liquidity to repay the debt, credibility, profitability, purpose of funding, the risk and impact towards the Company's operating risk, financial position and shareholders' equity.</p> <p>(2) Safeguards Provision Before extending the loans,</p>	<p>Operational Procedures for Loaning Funds</p> <p>(1) Due Diligence Any borrower, when applying for a loan from the Company, shall submit an application in writing with certain basic business information and financial data to the Company to check the funding credit. <u>The department in charge in the Company</u> shall prepare a report for extending loans after checking the borrower's business information, financial data, liquidity to repay the debt, credibility, profitability, purpose of funding, the risk and impact towards the Company's operating risk, financial position and shareholders' equity.</p> <p>(2) Safeguards Provision Before extending the loans,</p>	In line with the revision of "The Procedures."

Article	Content		Reason for revision
	Before revision	After revision	
	<p>the Board Meeting of the Company shall refer to the credit checking the reports prepared by the <u>finance and accounting division</u> and evaluate if the borrower shall provide promissory note, hypothecate the mortgage on the real estates or movables, and make warrants/guarantees in an amount equivalent to the loan as collateral for the funding. If the guarantee equivalent to the loan for the borrower is made by other person or enterprise, the Company shall check the regulations and limitation for making guarantees for others provided in the enterprise's article of incorporation.</p> <p>(3) Scope of Empowering The Company shall make the loans to the borrowers with good creditability and well-defined purpose of funding which evaluated by the <u>finance and accounting division</u> of the Company and the personnel in</p>	<p>the Board Meeting of the Company shall refer to the credit checking the reports prepared by the <u>department in charge in the Company</u> and evaluate if the borrower shall provide promissory note, hypothecate the mortgage on the real estates or movables, and make warrants/guarantees in an amount equivalent to the loan as collateral for the funding. If the guarantee equivalent to the loan for the borrower is made by other person or enterprise, the Company shall check the regulations and limitation for making guarantees for others provided in the enterprise's article of incorporation.</p> <p>(3) Scope of Empowering The Company shall make the loans to the borrowers with good creditability and well-defined purpose of funding which evaluated by the <u>department in charge in the Company</u> and the personnel in charge in the Company shall prepare the credit</p>	

Article	Content		Reason for revision
	Before revision	After revision	
	<p>charge in the Company shall prepare the credit checking reports and condition for extending loans. The final decision to making the loans should be approved and signed by CEO and Chairman and resolved by Board Meeting.</p> <p>If extending loans is between the Company and its parent company or subsidiaries, or between its subsidiaries, the Chairman shall be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board Meeting, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down. The authorized limit on loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending</p>	<p>checking reports and condition for extending loans. The final decision to making the loans should be approved and signed by CEO and Chairman and resolved by Board Meeting.</p> <p>If extending loans is between the Company and its parent company or subsidiaries, or between its subsidiaries, the Chairman shall be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board Meeting, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down. The authorized limit on loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except making</p>	

Article	Content		Reason for revision
	Before revision	After revision	
	<p>company, except making loans to the foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares.</p> <p>"Subsidiary" and "parent company" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>Where a public company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>Where the Company has established the position of Independent Director, when it loans funds to others, it shall take into full consideration each Independent Director's</p>	<p>loans to the foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares.</p> <p>"Subsidiary" and "parent company" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>Where a public company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>Where the Company has established the position of Independent Director, when it loans funds to others, it shall take into full consideration each Independent Director's opinions; meanwhile</p>	

Article	Content		Reason for revision
	Before revision	After revision	
	<p>opinions; meanwhile Independent Directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the Board Meeting.</p> <p>(4) Memorandum book for its fund-loaning activities</p> <p><u>The finance and accounting division of the Company</u> shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated. The Company's internal auditors shall audit the operational procedures for loaning funds to others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee in</p>	<p>Independent Directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the Board Meeting.</p> <p>(4) Memorandum book for its fund-loaning activities</p> <p><u>The department in charge in the Company</u> shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated. The Company's internal auditors shall audit the operational procedures for loaning funds to others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee in writing of any material violation</p>	

Article	Content		Reason for revision
	Before revision	After revision	
	writing of any material violation found.	found.	

SUNPLUS TECHNOLOGY CO. LTD**Dismissal of the list of directors' competitive restrictions**

SUNPLUS Director	Adjunct Company	Adjunct position
Wen-Shiung Jan	Champion Microelectronic CORP.	Independent Director
	HIYES INTERNATIONAL Co., Ltd.	Director