Sunplus Technology Company Limited

Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' 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:

<u>Occurrence of Revenue from Specific Customers</u>

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

<u>*Notice to Readers*</u>

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)

	2022		2021	
ASSETS	**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)	53,505	1	87,962	1
Total current assets	1,601,160	15	1,781,942	15
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)	9,095	-	7,973	-
Total non-current assets	9,397,621	85	9,897,180	85
TOTAL	$ 10,998,781	100	$ 11,679,122	100
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)	327,805	3	590,373	5
Total current liabilities	519,087	5	946,345	8
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)	5,709	-	9,990	-
Total non-current liabilities	1,217,606	11	614,440	5
Total liabilities	1,736,693	16	1,560,785	13
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital (Notes 4 and 20)				
Ordinary shares	5,919,949	54	5,919,949	51
Capital surplus	1,197,373	11	1,223,544	11
Retained earnings				
Legal reserve	1,870,234	17	1,745,279	15
Special reserve	239,203	2	261,078	2
Unappropriated earnings	279,413	3	1,249,574	11
Total retained earnings	2,388,850	22	3,255,931	28
Equity directly associated with non-current assets held for sale	-	-	21,517	-
Other equity	(180,683)	(2)	(239,203)	(2)
Treasury shares	(63,401)	(1)	(63,401)	(1)
Total equity	9,262,088	84	10,118,337	87
TOTAL	$ 10,998,781	100	$ 11,679,122	100

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)	918,272	67	867,208	57
GROSS PROFIT	456,270	33	652,934	43
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	1,034,676	75	829,631	55
Total operating expenses	1,343,416	97	1,266,044	83
LOSS FROM OPERATIONS	(887,146)	(64)	(613,110)	(40)
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	569,439	42	1,368,888	90
Total non-operating income and expenses	1,103,239	80	1,796,328	118
PROFIT BEFORE INCOME TAX	216,093	16	1,183,218	78
INCOME TAX EXPENSE (Notes 4 and 23)	194	-	433	-
NET PROFIT FOR THE YEAR	215,899	16	1,182,785	78
OTHER COMPREHENSIVE (LOSS) INCOME				
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

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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**	**%**
Items that may be reclassified subsequently to profit or loss (Notes 4 and 20):				
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	29,332	2	(12,491)	(1)
Other comprehensive income for the year, net of income tax	109,625	8	87,619	6
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 325,524	24	$ 1,270,404	84
EARNINGS PER SHARE (Note 24)				
Basic earnings per share	$ 0.37		$ 2.01	
Diluted earnings per share	$ 0.37		$ 2.01	

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, Unless Stated Otherwise)

	Share Capital Issued and Outstanding			Retained Earnings				Other Equity			
	Share (Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Equity Directly Associated with Non-current Assets Held for Sale	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Losses from Investments in Equity Instruments at FVTOCI	Treasury Shares	Total Equity
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	27,762	430
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	(194)	(433)
Net cash (used in) generated from operating activities	(192,437)	274,585
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

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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	(19,820)	(28,190)
Net cash generated from (used in) investing activities	480,119	(439,427)
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	-	108,953
Net cash used in financing activities	(629,469)	(34,833)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	17,839	(3,386)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(323,948)	(203,061)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	570,964	774,025
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 247,016	$ 570,964

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sunplus Technology Company Limited (the “Company”) was established in August 1990. It researches, develops, designs, tests and sells high quality, high value-added consumer integrated circuits (ICs). Its products are based on core technologies in such areas as multimedia audio/video, single-chip microcontrollers and digital signal processors. These technologies are used to develop hundreds of products including various ICs: Liquid crystal display, microcontroller, multimedia, voice/music, and application-specific devices. The Company’s shares have been listed on the Taiwan Stock Exchange since January 2000. Some of its shares have been issued in the form of global depositary receipts (GDRs), which have been listed on the London Stock Exchange since March 2001. The procedures for terminating GDRs were completed on November 10, 2022(refer to Note 20).

The parent 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 board of directors and authorized for issue on March 15, 2023.

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

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

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

b. The IFRSs endorsed by the FSC for application starting from 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by International Accounting Standards Board (IASB)
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Company should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Company chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

c. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated.

2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Company shall disclose information that enables users of financial statements to understand the risk of the Company that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

3) Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"

The amendments clarify that the liability that arises from a sale and leaseback transaction - that satisfies the requirements in IFRS 15 to be accounted for as a sale - is a lease liability to which IFRS 16 applies. However, if the lease in a leaseback that includes variable lease payments that do not depend on an index or rate, the seller-lessee shall measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. Seller-lessee subsequently recognizes in profit or loss the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability.

Except for the above impact, as of the date the consolidated 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

a. Statement of Compliance

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

b. Basis for Preparation

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, 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 the 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 the asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these 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 twelve 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 twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve 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 Company's 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.

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 on 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 case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or 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 accounted for using the equity method

1) Investment in subsidiaries

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

Subsidiaries are the entities controlled by the Company.

Under the equity method, the investment 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 accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using 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 loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a 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. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

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 this, 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 had the Company directly disposed of the related assets or liabilities.

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

2) Investments in associates

An associate is an entity over which the Company has significant influence and which is not a subsidiary.

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

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates and joint ventures attributable to the Company.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (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 associate), the Company discontinues recognizing its share of further losses. Additional loss if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Company transacts with its associate (profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent of interests in the associate and the jointly controlled entity that are not related to the Company.

g. Property, plant and equipment

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

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 the 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. 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 estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Company expects to dispose of the intangible asset before the end of its economic life.

2) 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.

i. Impairment of property, plant and equipment, right-of-use asset and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of Property, plant and equipment and intangible assets, excluding goodwill, 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets maybe impaired.

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.

j. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When the Company is committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate or a joint venture, only the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Company discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. If the Company ceases to have significant influence or joint control over the investment after the disposal takes place, the Company accounts for any retained interest that has not been classified as held for sale in accordance with the accounting policies for financial instruments.

k. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. 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 attributed to the original acquisition cost.

1) Financial assets

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

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets is classified as at FVTPL when such a financial asset is mandatorily classified or it is designated as at FVTPL. Financial assets mandatorily classified as 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 FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 28: Financial Instruments.

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, other financial assets, trade receivables, other receivables and refundable deposits, 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 a financial asset.

Cash equivalents include time deposits with original maturities within 12 months from the date of acquisition, 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.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit losses (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 a 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 impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

On 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 that 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 that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and 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, and its carrying amounts are calculated based on weighted average by share types. 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

All the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

l. Revenue recognition

The Company identifies a contract with a customer, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Unearned receipts for merchandise sales would be recognized as contract liabilities before the company fulfills its performance obligations.

<u>Revenue from the sale of goods</u>

Revenue from the sale of goods comes from the sale of ICs. Sales of ICs are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Trade receivables are recognized concurrently.

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

Other income

Other income mainly comes from software development and royalties.

m. Leases

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

1) The Company as lessor

All other leases are classified as operating leases.

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. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

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. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheet.

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, which comprise fixed payments and variable lease payments which depend on an index or a rate. 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. 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 balance sheets.

The Company requested the lessor for rent subsidy as a direct subsidy of the Covid-19 to change the lease payments. There is no substantive change to other terms and conditions. The Company elects to apply the practical expedient to all of the rent subsidy, and, therefore, does not assess whether the rent subsidy are lease modifications. Instead, the Company recognizes the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments.

n. Borrowing costs

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

o. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

p. 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 expenses when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur, or when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses, 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 (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. 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.

q. Taxation

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

1) Current tax

According to the Income Tax Law, an additional tax of inappropriate earnings is provided for as income tax in the year the shareholders approve to retain the 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 and unused loss carryforwards 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 and associates, 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 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 period in 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 tax for the period

Current and deferred tax 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 tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company’s historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	$ 355	$ 377
Demand deposits	246,661	310,587
Cash equivalents		
Time deposits	-	260,000
	$ 247,016	$ 570,964

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

	December 31	
	2022	2021
Bank balance	0.001%-1.050%	0.001%-0.350%

7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
Financial assets at fair value through profit of loss (FVTPL) - current		
Financial assets classified as at FVTPL		
Non-derivative financial assets		
Listed shares	$ 15,480	$ 66,000
Mutual funds	-	87,633
	$ 15,480	$ 153,633
Financial liabilities at FVTPL - non-current		
Financial assets classified as at FVTPL		
Non-derivative financial assets		
Unlisted shares	$ 269,823	$ 515,261
Limited partnership	6,183	-
	$ 276,006	$ 515,261

8. TRADE RECEIVABLE, NET

	December 31	
	2022	2021
Trade receivables		
At amortized cost		
Gross carrying amount	$ 184,390	$ 268,597

Trade receivables

The average credit period on sales of goods was 30 to 60 days without interest. The Company's exposure to credit risk and external credit ratings are continuously monitored. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

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 approach considering the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the industry outlook. 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 evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. 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 Company's current credit risk grading framework is shown in the following table:

December 31, 2022

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 120 days or More	Total
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	$ 184,390	$ -	$ -	$ -	$ -	$ 184,390
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 184,390	$ -	$ -	$ -	$ -	$ 184,390

December 31, 2021

	Not Overdue	Overdue 1- 60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue 120 days or More	Total
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	$ 268,597	$ -	$ -	$ -	$ -	$ 268,597
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 268,597	$ -	$ -	$ -	$ -	$ 268,597

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

	2022	2021
Balance at January 1 and December 31	$ -	$ -

9. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 313,529	$ 123,892
Work in progress	327,833	195,671
Raw materials	331,978	214,668
	$ 973,340	$ 534,231

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 were $918,272 thousand and $867,208 thousand, respectively.

The costs of inventories recognized as costs of goods sold for the years ended December 31, 2022 and 2021 were as follows:

	For the Year Ended December 31	
	2022	2021
Inventory (write-downs) reversed	$ (137,768)	$ 7,109
Income from scrap sales	106	55
	$ (137,662)	$ 7,164

10. NON-CURRENT ASSETS HELD FOR SALE

	December 31, 2021
Non-current assets held for sale	$ 108,504

In December 2021, the Company's board of directors resolved to dispose of 8,000,000 shares of the associate company - iCatch Technology Co., Ltd. and entered into the "shares should be sold contract" agreement. The disposal was completed in January 2022.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	$ 7,213,915	$ 7,433,243
Investments in associates	757,935	788,777
	$ 7,971,850	$ 8,222,020

a. Investments in subsidiaries

	December 31	
	2022	**2021**
Listed companies		
Sunplus Innovation Technology Inc. ("Sunplus Innovation Technology")	$ 1,165,423	$ 1,286,616
Generalplus Technology Inc. ("Generalplus Technology")	847,758	848,020
Non-listed companies		
Ventureplus Group Inc. ("Ventureplus Group")	1,678,364	1,594,626
Sunplus Venture Capital Co., Ltd. ("Sunplus Venture Capital")	1,103,338	1,068,483
Russell Holdings Limited ("Russell")	890,371	698,927
Lin Shin Investment Co., Ltd. ("Lin Shin Investment")	814,218	1,057,567
Award Glory Limited. ("Award Glory")	368,974	465,117
Sunext Technology Co., Ltd. ("Sunext Technology")	248,972	254,472
Wei-Young Investment Inc. ("Wei-Young Investment")	38,159	102,854
Sunplus mMobile Inc. ("Sunplus mMobile")	29,043	29,226
Sunplus mMedia Inc. ("Sunplus mMedia")	22,667	23,259
Jumplux Technology Co., Ltd. ("Jumplux Technology")	3,407	-
Sunplus Management Consulting Inc. ("Sunplus Management Consulting")	3,193	3,383
Sunplus Technology (H.K.) Co., Ltd. ("Sunplus Technology (H.K.)")	28	25
Magic Sky Limited ("Magic Sky")	-	668
	$ 7,213,915	$ 7,433,243
Investment impairment using equity method (accounted for current liability)		
Jumplux Technology	$ -	$ 18,737

Except for Sunplus Management Consulting, investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have been audited. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of Sunplus Management Consulting which have not been audited.

Sunplus mMobile considered its business' future development and concluded that it has no plan to continue operation. The board of directors resolved to dispose dissolution on January 19, 2022 and completed the dissolution on February 28, 2022.

The disposal of Magic Sky was completed on June 22, 2022.

Refer to Note 32 for the detail list of investments in subsidiaries.

The percentage subsidiaries' ownerships and voting right held by the Company:

	December 31	
	2022	**2021**
Listed companies		
Sunplus Innovation Technology	50%	51%
Generalplus Technology	34%	34%
Non-listed companies		
Ventureplus Group	100%	100%
Sunplus Venture Capital	100%	100%
Russell	100%	100%
Lin Shin Investment	100%	100%
Award Glory	100%	100%
Sunext Technology	100%	93%
Wei-Young Investment	100%	100%
Sunplus mMobile	100%	100%
Sunplus mMedia	90%	90%
Jumplux Technology	55%	55%
Sunplus Management Consulting	100%	100%
Sunplus Technology (H.K.)	100%	100%
Magic Sky	-	100%

b. Investments in associates

	December 31	
	2022	**2021**
Associates		
Global View Co., Ltd.	$ 318,969	$ 342,742
iCatch Technology Inc. ("iCatch Technology")	282,913	251,001
AkiraNet Co., Ltd.	156,053	195,034
	$ 757,935	$ 788,777

	Proportion of Ownership and Voting Rights	
	December 31	
Name of Associate	**2022**	**2021**
Global View Co., Ltd.	13%	13%
iCatch Technology	13%	15%
AkiraNet Co., Ltd.	26%	35%

Refer to Table 6 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the associates.

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

	December 31	
	2022	**2021**
Global View Co., Ltd.	$ 241,535	$ 313,131
iCatch Technology	$ 509,382	$ 1,103,576

All the associates are accounted for using the equity method.

The summarized financial information of the Company's associates is set out below:

	December 31	
	2022	2021
Total assets	$ 4,222,750	$ 4,121,497
Total liabilities	$ 427,086	$ 612,850

	For the Year Ended December 31	
	2022	2021
Revenue	$ 1,249,011	$ 1,379,578
(Loss) profit for the year	$ (46,906)	$ 129,792
Other comprehensive (loss) income for the year	$ (122,070)	$ 431,519
Share of (loss) profit of associates accounted for using the equity method	$ (14,355)	$ 29,747

The investments accounted for by using the equity method and the share of profit or loss and other comprehensive income of those investments were based on the associates' audited financial statements audited by the auditors.

12. PROPERTY, PLANT AND EQUIPMENT

Assets used by the Company

	Buildings	Auxiliary Equipment	Machinery and Equipment	Testing Equipment	Furniture and Fixtures	Construction in Process	Total
2022							
Cost							
Balance at January 1, 2022	$ 969,645	$ 22,689	$ 3,500	$ 128,347	$ 101,284	$ 26,429	$ 1,251,894
Additions	-	3,001	2,395	115,880	26,971	23,064	171,311
Reductions	-	(1,577)	-	(42,984)	(9,695)	-	(54,256)
Reclassified	-	-	5,845	31,547	5,130	(42,522)	-
Balance at December 31, 2022	$ 969,645	$ 24,113	$ 11,740	$ 232,790	$ 123,690	$ 6,971	$ 1,368,949
Accumulated depreciation							
Balance at January 1, 2022	$ 401,840	$ 11,593	$ 2,407	$ 70,101	$ 39,216	$ -	$ 525,157
Depreciation expense	19,730	3,206	2,672	99,311	28,157	-	153,076
Reductions	-	(1,577)	-	(42,874)	(9,695)	-	(54,256)
Balance at December 31, 2022	$ 421,570	$ 13,222	$ 5,079	$ 126,428	$ 57,678	$ -	$ 623,977
Carrying amount at December 31, 2022	$ 548,075	$ 10,891	$ 6,661	$ 106,362	$ 66,012	$ 6,971	$ 744,972
2021							
Cost							
Balance at January 1, 2021	$ 969,645	$ 27,733	$ 4,644	$ 136,722	$ 69,286	$ -	$ 1,208,030
Additions	-	2,200	-	43,274	34,074	26,429	105,977
Reductions	-	(7,244)	(1,144)	(51,649)	(2,076)	-	(62,113)
Balance at December 31, 2021	$ 969,645	$ 22,689	$ 3,500	$ 128,347	$ 101,284	$ 26,429	$ 1,251,894
Accumulated depreciation							
Balance at January 1, 2021	$ 382,111	$ 15,336	$ 2,628	$ 87,956	$ 19,445	$ -	$ 507,476
Depreciation expense	19,729	3,501	923	33,794	21,847	-	79,794
Reductions	-	(7,244)	(1,144)	(51,649)	(2,076)	-	(62,113)
Balance at December 31, 2021	$ 401,840	$ 11,593	$ 2,407	$ 70,101	$ 39,216	$ -	$ 525,157
Carrying amount at December 31, 2021	$ 567,805	$ 11,096	$ 1,093	$ 58,246	$ 62,068	$ 26,429	$ 726,737

The above items of property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives as follows:

Buildings	35-56 years
Auxiliary equipment	4-11 years
Machinery and equipment	4 years
Testing equipment	1-4 years
Furniture and fixtures	2-5 years

Refer to Note 30 for the carrying amounts of property, plant and equipment that had been pledged by the Company to secure borrowings.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	**2021**
Carrying amount		
Land	$ 160,660	$ 165,563
Transportation equipment	2,690	-
	$ 163,350	$ 165,563

	For the Year Ended December 31	
	2022	**2021**
Depreciation charge for right-of-use assets		
Land	$ 5,656	$ 5,682
Transportation equipment	336	-
	$ 5,992	$ 5,682

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets during the year ended December 31, 2022 and 2021.

b. Lease liabilities

	December 31	
	2022	**2021**
Carrying amount		
Current	$ 5,169	$ 4,074
Non-current	$ 165,077	$ 166,801

Range of discount rates for lease liabilities was as follows:

	December 31	
	2022	**2021**
Land	2.390%	2.390%
Transportation equipment	1.625%	-

c. Material lease-in activities and terms

The Company leases land and buildings located in the ROC for the use of plants and offices has a lease terms of 20 years. The lease agreement specifies that lease payments will be adjusted on the basis of changes in the announced land value prices. The Company does not have bargain purchase options to acquire the leasehold land at the end of the lease terms.

The Company did not enter into significant lease contracts for the years ended December 31, 2022 and 2021.

d. Other lease information

	2022	**2021**
Expenses relating to short-term leases	$ 1,536	$ 5,200
Expenses relating to low-value asset leases	$ 425	$ 425
Total cash outflow for leases	$ 10,493	$ 13,794

The Company leases certain transportation equipment and other leases which qualify as short-term leases. The Company has elected to apply the recognition exemption and therefore did not recognize right-of-use assets and lease liabilities for these leases.

14. INTANGIBLE ASSETS

	Technology License Fees	**Software**	**Patents**	**Total**
Cost				
Balance at January 1, 2022	$ 570,268	$ 9,601	$ 97,099	$ 676,968
Additions	35,263	4,597	-	39,860
Reductions	(41,705)	-	-	(41,705)
Balance at December 31, 2022	$ 563,826	$ 14,198	$ 97,099	$ 675,123
Accumulated amortization				
Balance at January 1, 2022	$ 221,939	$ 2,556	$ 75,522	$ 300,017
Amortization expense	93,082	3,189	-	96,271
Reductions	(41,705)	-	-	(41,705)
Balance at December 31, 2022	$ 273,316	$ 5,745	$ 75,522	$ 354,583

(Continued)

	Technology License Fees	Software	Patents	Total
Accumulated impairment				
Balance at January 1, 2022	$ 111,136	$ -	$ 21,577	$ 132,713
Impairment loss	457	-	-	457
Balance at December 31, 2022	$ 111,593	$ -	$ 21,577	$ 133,170
Net Balance at December 31, 2022	$ 178,917	$ 8,453	$ -	$ 187,370
Cost				
Balance at January 1, 2021	$ 497,620	$ 5,802	$ 97,099	$ 600,521
Additions	84,184	6,886	-	91,070
Reductions	(11,536)	(3,087)	-	(14,623)
Balance at December 31, 2021	$ 570,268	$ 9,601	$ 97,099	$ 676,968
Accumulated amortization				
Balance at January 1, 2021	$ 145,457	$ 3,359	$ 75,522	$ 224,338
Amortization expense	88,018	2,284	-	90,302
Reductions	(11,536)	(3,087)	-	(14,623)
Balance at December 31, 2021	$ 221,939	$ 2,556	$ 75,522	$ 300,017
Accumulated deficit				
Balance at January 1 and December 31, 2021	$ 111,136	$ -	$ 21,577	$ 132,713
Net Balance at December 31, 2021	$ 237,193	$ 7,045	$ -	$ 244,238

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

Technology license fees	2-10 years
Software	3 years
Patents	18 years

An analysis of the amortization by function:

	December 31	
	2022	2021
Operating costs	$ 165	$ 24
General and administrative expenses	1,403	1,477
Research and development expenses	94,703	88,801
	$ 96,271	$ 90,302

15. OTHER ASSETS

	December 31	
	2022	2021
Current		
Other financial assets		
Restricted assets (a)	$ 43,610	$ 25,940
Other assets		
Prepayments for EDA tools	$ 16,481	$ 16,622
Prepaid technical licensing fee	13,168	7,636
Prepaid materials	9,493	38,613
Others	14,363	25,091
	$ 53,505	$ 87,962
Non-current		
Other financial assets		
Pledged time deposits (b)	$ 10,500	$ 8,350
Other assets		
Refundable deposits	$ 1,295	$ 173
Others	7,800	7,800
	$ 9,095	$ 7,973

a. Refer to Note 25 for information on restricted assets.

b. Refer to Note 30 for information on pledged time deposits.

16. BORROWINGS

Long-term borrowings

The borrowings of the Company were as follows:

	December 31	
	2022	2021
Loans on credit	$ 1,000,000	$ 430,000
Less: Current portion	-	(46,000)
Long-term borrowings - non-current	$ 1,000,000	$ 384,000

The intervals of effective borrowing rate as of December 31, 2022 and 2021 was 1.875% and 1.220%-1.250%.

In addition, in accordance with the provisions of the loan contract, the Company's consolidated financial statements for semiannual and annual are subject to current ratio, debt ratio, interest coverage ratio., but they are not included in the examination of default items. The Company's financial ratios are in compliance with the contract requirements.

17. ACCOUNTS PAYABLE

	December 31	
	2022	**2021**
Accounts payable		
Payable - operating	$ 172,086	$ 294,804

The average credit period on purchases of certain goods was 30-60 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER LIABILITIES

	December 31	
	2022	**2021**
Current		
Other liabilities		
Payables for salaries or bonuses	$ 117,567	$ 119,128
Refund liabilities (Note 21)	62,690	9,849
Payables for royalties	23,886	251,042
Other payables to related party	23,453	14,658
Payables for purchases of intangible assets	17,614	14,715
Payables on machinery and equipment	10,115	61,579
Labor/health insurance	9,822	9,605
Payables for employees' compensation and remuneration of directors	5,541	30,339
Credit balance of investments accounted for using equity method	-	18,737
Others	57,117	60,721
	$ 327,805	$ 590,373
Non-current		
Payables for purchases of intangible assets	$ 3,839	$ 6,920
Payables on machinery and equipment	1,870	3,070
	$ 5,709	$ 9,990

19. RETIREMENT BENEFIT PLANS

Defined contribution plan

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.

Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Under this plan, employees should receive either a series of pension payments with a defined annuity or a lump sum that is payable immediately on retirement and is equivalent to 2 base units for each of the first 15 years of service and 1 base unit for each year of service thereafter. The total retirement benefit is subject to a maximum of 45 units. The pension benefits are calculated on the basis of the length of service and average monthly salaries of the six month before retirement. In addition, the Company makes monthly contributions, equal to 2% of salaries, to a pension fund, which is administered by a fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name and are managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy. According to the letter of Zhuhuanzi No. 1110001802 issued by the Hsinchu Science Park Administration of the Ministry of Science and Technology, the Company ceased its retirement fund contribution temporarily from January 1, 2022 to December 31, 2022.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2022	**2021**
Present value of funded defined benefit obligation	$ 136,396	$ 162,318
Fair value of plan assets	(168,389)	(166,871)
Net defined benefit assets	$ (31,993)	$ (4,553)

Movements in net defined benefit assets were as follows:

	Present Value of Funded Defined Benefit Obligation	**Fair Value of Plan Assets**	**Net Assets Arising from Defined Benefit Obligation**
Balance at January 1, 2021	$ 166,657	$ 171,097	$ (4,440)
Service cost			
Current service cost	350	-	350
Interest expense (income)	1,250	1,283	(33)
Recognized in profit or loss	1,600	1,283	317
Remeasurement			
Return on plan assets	-	1,759	(1,759)
Actuarial loss-changes in financial assumptions	4,154	-	4,154
Adjustment on actuarial gain-experience adjustment	(2,825)	-	(2,825)
Recognized in other comprehensive income	1,329	1,759	(430)
Contributions from employer	-	-	-
Benefits paid	(7,268)	(7,268)	-
Balance at December 31, 2021	$ 162,318	$ 166,871	$ (4,553)

(Continued)

	Present Value of Funded Defined Benefit Obligation	Fair Value of Plan Assets	Net Assets Arising from Defined Benefit Obligation
Balance at January 1, 2022	$ 162,318	$ 166,871	$ (4,553)
Service cost			
Current service cost	346	-	346
Interest expense (income)	811	835	(24)
Recognized in profit or loss	1,157	835	322
Remeasurement			
Return on plan assets	-	13,475	(13,475)
Actuarial gain-changes in financial assumptions	(9,552)	-	(9,552)
Adjustment on actuarial gain-experience adjustment	(4,735)	-	(4,735)
Recognized in other comprehensive income	(14,287)	13,475	(27,762)
Contributions from employer	-	-	-
Benefits paid	(12,792)	(12,792)	-
Balance at December 31, 2022	$ 136,396	$ 168,389	$ (31,993)

(Concluded)

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

	For the Year Ended December 31	
	2022	2021
Operating costs	$ 53	$ 49
Selling and marketing expenses	9	8
General and administrative expenses	99	100
Research and development expenses	161	160
	$ 322	$ 317

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

a. 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.

b. 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.

c. 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:

	December 31	
	2022	**2021**
Discount rate(s)	1.25%	0.50%
Expected rate(s) of salary increase	4.00%	4.00%
Resignation rate	0%-28%	0%-28%

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

	December 31	
	2022	**2021**
Discount rate(s)		
0.25% increase	$ (3,077)	$ (4,154)
0.25% decrease	$ 3,184	$ 4,315
Expected rate(s) of salary increase		
1% increase	$ 13,213	$ 17,682
1% decrease	$ (11,783)	$ (15,554)

The above sensitivity analysis 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 will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	**2021**
The expected contributions to the plan for the next year	$ -	$ -
The average duration of the defined benefit obligation	11 years	12 years

20. EQUITY

a. Share capital

1) Ordinary shares:

	December 31	
	2022	**2021**
Shares authorized (in thousands of shares)	1,200,000	1,200,000
Value of authorized shares	$ 12,000,000	$ 12,000,000
Shares issued and fully paid (in thousands of shares)	591,995	591,995
Shares issued and fully paid	$ 5,919,949	$ 5,919,949

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

Of the Company’s authorized shares, 80,000 thousand shares have been reserved for the issuance of subscription warrants, preferred shares with warrants, or corporate bonds with warrants.

2) Global depositary receipts

In March 2001, the Company issued 20,000 thousand units of global depositary receipts (GDRs), representing 40,000 thousand ordinary shares that consisted of newly issued and originally outstanding shares. The GDRs are listed on the London Stock Exchange (ticker: SUPD) with an issuance price of US$9.57 per unit. As of December 31, 2022, the outstanding 175 thousand units of GDRs represented 350 thousand ordinary shares.

On August 12, 2022, the board of directors proposed to cease the trading of Company's issued ordinary shares on the London Stock Exchange in the form of GDRs. The termination agreement was completed on November 10, 2022, and the GDRs termination listing procedure was completed on the London Stock Exchange.

b. Capital surplus

	December 31	
	2022	**2021**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
From the issuance of ordinary shares	$ -	$ 18,497
From the business combinations	138,032	157,423
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	297,845	298,767
May only be used to offset a deficit		
From treasury share transactions	55,298	48,178
Changes in percentage of ownership interests in subsidiaries (2)	475,546	497,906
Changes in net equity of associates accounted for using the equity method	230,652	202,773
	$ 1,197,373	$ 1,223,544

1) When the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

2) Such capital surplus arises from the effects 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

The shareholders' meeting resolved the Company's Articles of Association on June 8, 2022. Under the dividends policy as set forth in the amended Articles, when the Company makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit. Through this limitation is not applicable when the legal reserve has reached the total capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then 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. However, the ratio of earnings to provide distribution and the ratio of shareholders' cash dividends may depend on the current year. The actual profit and capital status shall be adjusted by the resolution of the shareholders' meeting. The total number of shareholders' dividends based on the annual surplus shall be distributed at the rate of not less than 10% of the newly added distributable surplus for the year, but shall not be distributed when the annual surplus is less than 1% of the paid-in capital. The aforementioned cash dividends shall not be less than 10% of the total dividends to be distributed to shareholders.

Under the dividends policy as set forth before amended Articles, when the Company makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit . However, this limitation is not applicable when the legal reserve has reached the total capital. Setting aside or reversing a special reserve in accordance with the laws and regulations, and then 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. However, the ratio of the distribution of surplus and the ratio of shareholders' cash dividends may be adjusted by the resolution of the shareholders' meeting depending on the actual profit and capital situation of the current year. The Company's policy is that cash dividends should be at least 10% of total dividends distributed. However, cash dividends will not be distributed if these dividends are less than NT$0.5 per share.

Under the regulations promulgated, a special reserve equivalent to the debit balance of any account shown in the shareholders' equity section of the balance sheet should be allocated from unappropriated retained earnings. For the policies on the distribution of employees' compensation and remuneration to directors and supervisors before and after amendment, refer to Note 22-g.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. 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 2021 and 2020 approved in the shareholders' meeting on June 8, 2022 and July 20, 2021, as follows:

	For Year 2021	**For Year 2020**
Legal reserve	$ 124,955	$ 32,889
Special reserve reversed	$ 21,875	$ 15,111
Cash dividend	$ 1,146,102	$ 311,093
Cash dividend per share (NT$)	$ 1.9360	$ 0.5255

The Company's shareholders also proposed in the shareholders' meeting on June 8, 2022 to issue cash dividends from capital surplus of $37,888 thousand.

The earnings distribution proposal for 2022 in the board of directors meeting proposed on March 15, 2023 as follows:

	For the Year 2022
Legal reserve	$ 27,902
Special reserve reversed	$ 58,521
Cash dividend	$ 309,613
Cash dividend per share (NT$)	$ 0.5230

The appropriation of earnings was proposed by the Corporation's board of directors on March 15, 2023 to proposed cash dividends from capital surplus of $45,584 thousand.

The appropriation of earnings for 2022 is subject to resolution in the shareholders' meeting to be held on June 13, 2023.

d. Special reserve

	For the Year Ended December 31	
	2022	2021
Beginning at January 1	$ 261,078	$ 276,189
Special reserve reversed	(21,875)	(15,111)
Balance at December 31	$ 239,203	$ 261,078

e. Other equity items

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (259,512)	$ (228,023)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	81,686	(18,998)
Share of exchange differences of associates accounted for using the equity method	29,332	(12,491)
Reclassification adjustments		
Disposal of foreign operations	12,017	-
Balance at December 31	$ (136,477)	$ (259,512)

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 20,309	$ (33,055)
Recognized for the year		
Share from subsidiaries accounted for using the equity method	(5,975)	89,977
Share from associates accounted for using the equity method	(21,952)	27,943
Cumulative unrealized (loss) gain of equity instruments transferred to retained earnings due to disposal	(36,588)	(65,578)
Disposal of partial interests in subsidiaries	-	1,022
Balance at December 31	$ (44,206)	$ 20,309

f. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares as of January 1, 2022	-	3,560	3,560
Decrease	-	-	-
Number of shares as December 31, 2022	-	3,560	3,560
Number of shares as of January 1, 2021	-	3,560	3,560
Decrease	-	-	-
Number of shares as December 31, 2021	-	3,560	3,560

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

	Number of Shares Held (In Thousand)	Carrying Amount	Market Price
December 31, 2022			
Lin Shin Investment	3,560	$ 63,401	$ 79,744
December 31, 2021			
Lin Shin Investment	3,560	$ 63,401	$ 138,306

Under the Securities and Exchange Act, The Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and to vote.

21. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from the sale of goods	$ 1,287,716	$ 1,449,034
Other	86,826	71,108
	$ 1,374,542	$ 1,520,142

a. Contract information

Revenue from the sale of goods

IC products are sold to agents and customers. The Company determines the sales price of products based on orders. It takes into consideration the past purchases of agents and customers in order to estimate the most likely discount amount and return rate. Based on the determination of revenue, the Company recognizes the amount and the liabilities for refunds (accounted for as other current liabilities).

Other

Other income mainly comes from software development and royalties.

b. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Trade receivables (Note 8)	$ 184,390	$ 268,597	$ 172,035
Contract liabilities - current	$ 14,027	$ 11,094	$ 5,589

The changes in the balance of contract liabilities primarily result from the timing difference between the Company's performance and the respective customer's payment.

c. Disaggregation of revenue

	Reportable Segments	
	Direct Sales	
	2022	2021
Primary geographical markets		
Asia	$ 1,083,272	$ 1,243,478
Taiwan	248,675	231,604
Others	42,595	45,060
	$ 1,374,542	$ 1,520,142
Timing of revenue recognition		
Satisfied at a point in time	$ 1,371,864	$ 1,516,210
Satisfied over time	2,678	3,932
	$ 1,374,542	$ 1,520,142

22. NET PROFIT

Net profit included the following items:

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	$ 1,570	$ 940
Other	15	15
	$ 1,585	$ 955

b. Other income

	For the Year Ended December 31	
	2022	2021
Dividend income	$ 75,900	$ 67,142
Government grant income (Note 25)	43,624	70,121
Rental income	38,025	34,541
Others	26,025	11,949
	$ 183,754	$ 183,753

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Gain on disposal of investments accounted for using equity method	$ 449,000	$ -
Gain on disposal of subsidiaries	73,962	-
Service income of management support	26,201	33,598
Impairment loss recognized on non-financial asset	(457)	-
Net foreign exchange loss	(3,184)	(2,550)
Impairment loss recognized on financial asset	(6,826)	-
Net (loss) gain on financial assets and liabilities		
Net (loss) gain on financial assets designated as at FVTPL (Note 7)	(176,260)	221,022
	$ 362,436	$ 252,070

d. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	$ 9,684	$ 4,958
Interest on lease liabilities	4,119	4,173
Other financial costs	172	207
	$ 13,975	$ 9,338

e. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	$ 4,837	$ 3,215
Operating expenses	154,231	82,261
	$ 159,068	$ 85,476
An analysis of amortization by function		
Operating costs	$ 165	$ 24
Operating expenses	96,106	90,278
	$ 96,271	$ 90,302

f. Employee benefit expense

	For the Year Ended December 31	
	2022	**2021**
Short-term benefits	$ 580,183	$ 538,743
Post-employment benefits		
Defined contribution plans	22,739	21,945
Defined benefit plans (Note 19)	322	317
	23,061	22,262
Other employee benefits	16,297	14,872
Total employee benefit expense	$ 619,541	$ 575,877
An analysis of employee benefit expense by function		
Operating costs	$ 34,643	$ 35,643
Operating expenses	584,898	540,234
	$ 619,541	$ 575,877

g. Employees' compensation and remuneration of directors

The Company resolved amendments to its Articles of Incorporation to distribute employees' compensation and remuneration to directors at rates of no less than 1% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors. The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021, which have been approved by the Company's board of directors on March 15, 2023 and March 29, 2022, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2022	**2021**
Employees' compensation	1.00%	1.00%
Remuneration of directors	1.50%	1.50%

Amount

	For the Year Ended December 31			
	2022		**2021**	
	Cash	**Shares**	**Cash**	**Shares**
Employees' compensation	$ 2,216	$ -	$ 12,136	$ -
Remuneration of directors	3,325	-	18,203	-

If there is a change in the amounts after the annual 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 compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the parent financial statements for the years ended December 31, 2021 and 2020.

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

h. Gain or loss on exchange rate changes

	For the Year Ended December 31	
	2022	2021
Exchange rate gains	$ 48,383	$ 12,624
Exchange rate losses	(51,567)	(15,174)
Net loss	$ (3,184)	$ (2,550)

23. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 194	$ 433
Deferred tax		
In respect of the current year	-	-
Income tax expense recognized in profit or loss	$ 194	$ 433

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

	For the Year Ended December 31	
	2022	2021
Profit before tax	$ 216,093	$ 1,183,218
Income tax expense calculated at the statutory rate	$ 43,219	$ 236,644
Tax effect of adjusting items:		
Nondeductible expenses	-	21,311
Non-taxable gains	(219,109)	(275,532)
Tax-exempt income	(15,180)	(13,428)
Temporary differences	85,492	(49,983)
Effects of consolidated income tax filing	-	(36)
Current income tax expense	(105,578)	(81,024)
Unrecognized investment credit	105,578	81,024
Foreign income tax expense	194	433
Income tax expense recognized in profit or loss	$ 194	$ 433

b. Current tax assets and liabilities

	December 31	
	2022	**2021**
Current tax assets		
Tax refund receivable (classified as other receivables)	$ -	$ 7

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2022

Deferred Tax Assets	**Opening Balance**	**Recognized in Profit or Loss**	**Closing Balance**
Temporary differences			
Depreciation expense	$ 1,409	$ 5,834	$ 7,243
Exchange (losses) gains	1,237	891	2,128
Others	(161)	(6,725)	(6,886)
	$ 2,485	$ -	$ 2,485

For the year ended December 31, 2021

Deferred Tax Assets	**Opening Balance**	**Recognized in Profit or Loss**	**Closing Balance**
Temporary differences			
Depreciation expense	$ 2,880	$ (1,471)	$ 1,409
Exchange (losses) gains	(712)	1,949	1,237
Others	317	(478)	(161)
	$ 2,485	$ -	$ 2,485

d. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the parent company only balance sheets

	December 31	
	2022	**2021**
Loss carryforwards		
Expiry in 2022	$ -	$ 394,894
Expiry in 2023	1,144,831	1,144,831
Expiry in 2027	10,909	10,909
Expiry in 2029	329,899	329,899
Expiry in 2030	48,825	57,825
Expiry in 2031	5,675	4,766
	$ 1,540,139	$ 1,943,124
Deductible temporary differences	$ 147,757	$ 64,832

e. Unused loss carryforwards and tax exemptions

Loss carryforwards as of December 31, 2022:

Unused Amount	**Expiry Year**
$ 1,144,831	2023
10,909	2027
329,899	2029
48,825	2030
5,675	2031
$ 1,540,139	

f. Income tax assessments

The income tax returns of the Company before 2021 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	**2021**
Basic gain per share	$ 0.37	$ 2.01
Diluted earnings per share	$ 0.37	$ 2.01

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

Net profit for the year

	For the Year Ended December 31	
	2022	**2021**
Profit for the year attributable to owners of the Company	$ 215,899	$ 1,182,785
Effect of potentially dilutive ordinary shares		
Bonuses for employees	-	-
Earnings used in the computation of diluted EPS from continuing operations	$ 215,899	$ 1,182,785

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares used in the computation of basic earnings per shares	588,435	588,435
Effect of dilutive potential ordinary shares:		
Employee bonuses	184	340
Weighted average number of ordinary shares used in the computation of diluted earnings per share	588,619	588,775

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are 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.

25. GOVERNMENT GRANTS

The Company applied for the AI on Chip R&D subsidy program from the Ministry of Economic Affairs, and the “Shared Intelligent Computing Chiplet Architecture R&D Program” was reviewed and approved on November 20, 2020. The approved subsidy amounted to $115,356 thousand. As of December 31, 2022 and 2021, the accumulated subsidies received were $113,706 thousand and $70,139 thousand, respectively. The amounts of the recognized subsidy income were $43,516 thousand and $70,121 thousand. In addition, the Company has a special account for subsidies in accordance with regulations. The monthly withdrawal amount shall be withdrawn according to the monthly expenditure summary statement, and the withdrawal amount shall not be higher than the expenditure amount.

26. DISPOSAL OF SUBSIDIARIES - WITH LOSS OF CONTROL

The Company completed the disposal and liquidation on June 20, June 22, August 30 and September 5, 2022 respectively, on which dates control of its subsidiary passed to the acquirer. For details about the disposal of GenKi Tek Technology Co., Ltd. and Magic Sky, and liquidation of Jsilicon Technology, Co., Ltd. Giant Kingdom Ltd. and Giant Best Ltd., refer to Note 30 to the Company’s consolidated financial statements for the year ended December, 2022.

27. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders 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) attributable to owners of the Company.

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

28. FINANCIAL INSTRUMENTS

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

   The management of the Company considers that the fair values of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic/foreign unlisted shares	$ -	$ -	$ 276,006	$ 276,006
Domestic listed shares	15,480	-	-	15,480
	$ 15,480	$ -	$ 276,006	$ 291,486

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 87,633	$ -	$ -	$ 87,633
Domestic unlisted shares	-	-	515,261	515,261
Domestic listed shares	66,000	-	-	66,000
	$ 153,633	$ -	$ 515,261	$ 668,894

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2022	$ 515,261	$ -	$ 515,261
Recognized in profit or loss	(214,483)	-	(214,483)
Purchases	82,392	-	82,392
Sales	(107,164)	-	(107,164)
Balance at December 31, 2022	$ 276,006	$ -	$ 276,006

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2021	$ 311,021	$ -	$ 311,021
Recognized in profit or loss	204,240	-	204,240
Balance at December 31, 2021	$ 515,261	$ -	$ 515,261

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

The fair values of unlisted shares and limited partnership were determined using the asset-based approach. The Company assesses that the amount of its net assets attributable to its investment approaches the fair value of the equity investment. The Company assesses the total value of the individual assets and liabilities covered by the target to reflect the overall value of the business.

c. Categories of financial instruments

	December 31	
	2022	2021
Financial assets		
Fair value through profit or loss (FVTPL)	$ 291,486	$ 668,894
Financial assets at amortized cost (i)	570,630	906,135
Financial liabilities		
Measured at amortized cost (ii)	1,218,906	778,453

i) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables, other financial assets and refundable deposits.

ii) The balances include financial liabilities at amortized cost, which comprise accounts payable, current portion of long-term bank borrowings, long-term borrowings and guarantee deposits.

d. Financial risk management objectives and policies

The Company’s major financial instruments included mutual funds, equity and debt investments, trade receivables, accounts payable, borrowings and lease liability. 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 currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporate Treasury function reported quarterly to the Company's risk management committee.

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, including:

a) Foreign currency risk

A part of the Company’s cash flows is in foreign currency, and the use by management of derivative financial instruments is for hedging adverse changes in exchange rates, not for profit.

For exchange risk management, each foreign-currency item of net assets and liabilities is reviewed regularly. In addition, before obtaining foreign loans, the Company considers the cost of the hedging instrument and the hedging period.

The carrying amounts of the Company’s foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period, please refers to Note 31.

Sensitivity analysis

The Company was mainly exposed to the USD and RMB.

The following table details the Company sensitivity to a US$1.00 and RMB1.00 increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity analysis considers the currencies of USD and RMB in circulation, and adjusts the end-of-term conversion to exchange rate change of $1.00. The sensitivity analysis covers cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets, long-term and short-term loans, accounts payable, other accounts payable and deposit margins. A positive (negative) amount below indicates an increase (decrease) in pre-tax profit (loss) when the NTD strengthened (weakened) by 1% against the relevant currency at the end of the reporting period.

	USD Impact	
	For the Year Ended December 31	
	2022	**2021**
Profit or loss	$ (6,470)	$ 5,311

	RMB Impact	
	For the Year Ended December 31	
	2022	**2021**
Profit or loss	$ 10,836	$ 3,441

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

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.

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 10,500	$ 268,350
Financial liabilities	170,246	170,875
Cash flow interest rate risk		
Financial assets	290,271	336,527
Financial liabilities	1,000,000	430,000

Sensitivity analysis

The sensitivity analyses below were determined based on the Company’s exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. Basis points of 0.125% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates increased/decreased by 0.125% and all other variables held constant, the Company’s post-tax profit for the years ended December 31, 2022 and 2021 would have decreased/increased by $887 thousand and $117 thousand, respectively.

c) Other price risk

The Company was exposed to price risk through its investments in financial assets at FVTPL and FVTOCI. The Company does not actively trade these investments.

The sensitivity analyses below was determined based on the exposure to price risks of financial assets at FVTPL and FVTOCI at the end of the reporting period.

If the prices of financial assets at FVTPL had been 1% higher/lower, the post-tax other comprehensive income for the years ended December 31, 2022 and 2021 would have increased/decreased by $2,915 and $6,689 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the reporting period, the Group’s maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

In order to minimize credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company’s credit risk was significantly reduced.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

The Company’s concentration of credit risk of 94% and 91% in total trade receivables as of December 31, 2022 and 2021, respectively, was related to the five largest customers within the property construction business segment.

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, 2022 and 2021, the Company had available unutilized overdraft and financing facilities refer to the following instruction.

a) Liquidity and interest rate risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed upon repayment periods. The tables have 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 tables included both interest and principal cash flows.

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 205,479	$ 48,658	$ 48	$ -	$ -
Lease liabilities	771	1,541	6,935	34,467	197,427
Variable intersest rate liabilities	1,072	-	-	1,000,000	-
Fixed interest rate liabilities	-	-	-	3,826	42,994
	$ 207,322	$ 50,199	$ 6,983	$1,038,293	$ 240,421

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 9,247	$ 34,467	$ 40,831	$ 40,155	$ 30,690	$ 85,751

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	More than 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 225,209	$ 124,223	$ 997	$ -	$ -
Lease liabilities	678	1,355	6,098	32,522	204,690
Variable intersest rate liabilities	221	-	46,000	384,000	-
Fixed interest rate liabilities	-	-	-	3,826	49,823
	$ 226,108	$ 125,578	$ 53,095	$ 420,348	$ 254,513

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 8,131	$ 32,522	$ 40,652	$ 40,652	$ 31,901	$ 91,485

b) Financing facilities

	December 31	
	2022	2021
Unsecured bank overdraft facility, reviewed annually and payable on demand:		
Amount used	$ 1,043,567	$ 455,938
Amount unused	1,548,835	1,956,078
	$ 2,592,402	$ 2,412,016

29. TRANSACTIONS WITH RELATED PARTIES

a. Name and relationship of related parties

Related Party Name	Related Party Category
iCatch Technology	Associate
Jumplux Technology	Subsidiary
Generalplus Technology	Subsidiary
Sunext Technology	Subsidiary
Sunplus Innovation Technology	Subsidiary
Genki Tek Technology Co., Ltd.	Subsidiary (the settlement was completed on June 20, 2022, and classified into non-related party)
Chongqing CQPlus1 Technology Co., Ltd. ("Chongqing CQPlus1")	Subsidiary
Sunplus Pro-tek (shenzhen) Co., Ltd.	Subsidiary
SunMedia Technology Co., Ltd.	Subsidiary

b. Sales of goods

Account Item	Related Party Type	For the Year Ended December 31	
		2022	2021
Sales of goods	Subsidiaries	$ 14,769	$ 12,042
	Associates	3,270	12,973
		$ 18,039	$ 25,015

Sales price to related parties is based on cost and market price. The sales terms to related parties were similar to those with external customers.

c. Purchases of goods

Accounted Item	Related Party	For the Year Ended December 31	
		2022	2021
Purchases of goods	Subsidiaries		
	Chongqing CQPlus1	$ 158,275	$ 16,681

Purchases were made at market prices and discounted to reflect the quantity of goods purchased and the relationships between the parties.

d. Receivables from related parties (excluding loans to related parties)

Account Item	Related Party	For the Year Ended December 31 2022	2021
Trade receivables	Subsidiaries	$ 951	$ 3,153
	Associates	352	1,112
		$ 1,303	$ 4,265
Other receivables	Subsidiaries	$ 2,725	$ 2,711
	Associates	535	529
		$ 3,260	$ 3,240

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no impairment losses were recognized for trade receivables from related parties.

e. Payables from related parties

Account Item	Related Party	For the Year Ended December 31 2022	2021
Accounts payable	Subsidiaries	$ 15,580	$ -
Other payables	Subsidiaries	$ 23,453	$ 14,658
Prepaid materials	Subsidiaries	$ 9,292	$ 38,613

f. Acquisition of property, plant and equipment

Related Party	For the Year Ended December 31 2022	2021
Subsidiaries	$ 199	$ 43

g. Other transactions with related parties

Account Item	Related Party Type	For the Year Ended December 31 2022	2021
Manufacturing expenses	Subsidiaries	$ 10,575	$ 22,292
Operating expenses	Subsidiaries	$ 82,004	$ 13,174
Non-operating income	Subsidiaries	$ 12,260	$ 20,753
and expenses	Associates	12,934	9,489
		$ 25,194	$ 30,242

Miscellaneous expenses between the Company and the related parties were negotiated and were thus not comparable with those in the market.

Technical support services price between the Company and the related parties were negotiated and were thus not comparable with those in the market.

Administrative support services price and support services price between the Company and the related parties were negotiated and were thus not comparable with those in the market.

The pricing and the payment terms of the lease contract between the Company and the related parties were similar to those with external customers.

h. Compensation of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	$ 30,262	$ 16,892
Post-employment benefits	269	269
	$ 30,531	$ 17,161

Compensation of directors and other key management personnel was decided by the Compensation Committee in accordance with individual performance and market trends.

30. PLEDGED OR MORTGAGED ASSETS

The following assets were mortgaged or pledged as collateral for bank borrowings and leased land:

	December 31	
	2022	2021
Buildings, net	$ 537,529	$ 556,931
Pledged time deposits (classified to other financial assets - non-current)	10,500	8,350
	$ 548,029	$ 565,281

31. EXCHANGE RATE OF FINANCIAL 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 of the entities in the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 12,369	30.71	$ 379,852
CNY	72	4.408	317
JPY	153	0.232	35
GBP	3	37.090	111
HKD	8	3.938	32

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Nonmonetary items			
Investment subsidiaries accounted for using equity method			
USD	$ 28,993	30.71	$ 890,375
HKD	7	3.938	28
<u>Financial liabilities</u>			
Monetary items			
USD	5,899	30.71	181,158
CNY	10,908	4.408	48,082

(Concluded)

<u>December 31, 2021</u>

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	$ 13,793	27.680	$ 381,790
CNY	416	4.344	1,807
JPY	188	0.241	45
GBP	3	37.300	112
HKD	9	3.549	32
Nonmonetary items			
Investment subsidiaries accounted for using equity method			
USD	25,274	27.680	699,584
HKD	7	3.549	25
<u>Financial liabilities</u>			
Monetary items			
USD	19,104	27.680	528,799
CNY	3,857	4.344	16,755

For the years ended December 31, 2022 and 2021, (realized and unrealized) net foreign exchange losses were NT$3,184 thousand and NT$2,550 thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Company.

32. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees and b. Information on investees:

1) Financings provided: Table 1

2) Endorsement/guarantee provided: Table 2

3) Marketable securities held: Table 3

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: Table 4

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: No.

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: No.

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

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: No.

9) Trading in derivative instruments: No.

b. Information on investees:

1) Information on investee: Table 6

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)

2) Any of the following 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: (Table 8)

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

   c) The amount of property transactions and the amount of the resultant gains or losses.

   d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

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)

Except for Table 1 to Table 9, there’s no further information about other significant transactions.

TABLE 1

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(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 Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
1	Sunplus Shanghai	Chongqing CQPlus1	Receivables from related parties	Yes	$ 60,816	$ -	$ -	1.80%	Note 1	$ -	Note 2	$ -	-	$ -	$ 425,085 (Note 7)	$ 425,085 (Note 7)
2	Sunplus Shanghai	Sun Media	Receivables from related parties	Yes	298,862	294,014	294,014	1.80%	Note 1	-	Note 3	-	-	-	425,085 (Note 7)	425,085 (Note 7)
3	Russell	Sun Media	Receivables from related parties	Yes	243,313	-	-	-	Note 1	-	Note 4	-	-	-	712,296 (Note 8)	712,296 (Note 8)
4	Sunplus Venture Capital	Sun Media	Receivables from related parties	Yes	50,969	50,672	50,672	3.80%	Note 1	-	Note 5	-	-	-	441,335 (Note 9)	441,335 (Note 9)
5	Lin Shin Investment	Sun Media	Receivables from related parties	Yes	163,460	110,556	110,556	3.80%	Note 1	-	Note 6	-	-	-	357,585 (Note 10)	357,585 (Note 10)

Note 1: Short-term financing.

Note 2: Sunplus Shanghai provided funds for the operating needs of Chongqing CQPlus 1.

Note 3: Sunplus Shanghai provided funds for the operating needs of SunMedia.

Note 4: Russell provided funds for the operating needs of SunMedia.

Note 5: Sunplus Venture Capital provided funds for the operating needs of SunMedia.

Note 6: Lin Shin Investment provided funds for the operating needs of SunMedia.

Note 7: Sunplus Shanghai and the loans are all foreign companies whose parent company directly and indirectly holds 100% of the voting shares. When the short-term financing funds need to be engaged in capital lending, the capital loan and the individual amount and total amount should not exceed the capital loan. The enterprise's net worth should not exceed to 60%, and its period should not exceed more than 2 years.

Note 8: Russell and the loans are all foreign companies whose parent company directly and indirectly holds 100% of the voting shares. When the short-term financing funds need to be engaged in capital lending, the capital loan and the individual amount and total amount should not exceed the capital loan. The enterprise's net worth should not exceed to 80%, and its period should not exceed more than 2 years.

Note 9: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Sunplus Venture Capital's net equity as of its latest financial statements.

Note 10: The total amount of all guarantees issued and the individual amount of each guarantee should not exceed 40% of Lin Shin Investment's net equity as of its latest financial statements.

TABLE 2

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Value of Collateral Property, Plant, or Equipment	Percentage of Accumulated Amount of Collateral to Net Equity as of the Latest Financial Statements	Maximum Collateral/Guarantee Amounts Allowable	Provided by the Company	Guarantee Provided by the Subsidiary	Guarantee Provided to a Subsidiary Located in Mainland China
		Name	Nature of Relationship										
0 (Note 1)	Sunplus	Chongqing CQPlus1	3 (Note 3)	$ 926,209 (Note 4)	$ 67,590	$ -	$ -	$ -	-	$1,852,418 (Note 5)	Yes	No	Yes
1 (Note 2)	Russell	SunMedia	3 (Note 3)	534,222 (Note 6)	59,440	-	-	-	-	534,222 (Note 6)	No	No	Yes

Note 1: Issuer.

Note 2: Investee.

Note 3: Sunplus and its subsidiaries jointly hold more than 50% of the ordinary shares of the endorsee.

Note 4: For each transaction entity, the guarantee amount should not exceed 10% of the endorsement/guarantee provider’s net equity based on the provider’s latest financial statements.

Note 5: The guarantee amount should not exceed 20% of the endorsement/guarantee provider’s net equity based on the provider’s latest financial statements.

Note 6: Russell and the endorsement guaranty object are the parent company which holds 100% voting rights directly or indirectly. For each transaction entity, the guarantee amount should not exceed 60% of the endorsement/guarantee provider’s net equity.

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus	Evergreen Steel Co., Ltd.	-	Financial assets at FVTPL - current	300	$ 15,480	-	$ 15,480	Note 2
	Triknight Capital Corporation	-	Financial assets at FVTPL - non-current	40,842	269,823	5	269,823	Note 1
	Marvest Series 1 Fund	-	Financial assets at FVTPL - non-current	2	-	5	-	Note 1
	Vertex Growth II (SG) L.P.	-	Financial assets at FVTPL – non-current	-	3,644	-	3,644	Note 1
	AMED Ventures II, L.P.	-	Financial assets at FVTPL – non-current	-	2,539	-	2,539	Note 1
Lin Shin Investment	Arizon RFID Technology Co., Ltd.	-	Financial assets at FVTPL - current	370	28,701	-	28,701	Note 1
	A-Spine Asia Co., Ltd.	-	Financial assets at FVTPL - current	65	2,130	-	2,130	Note 1
	Enterex International Limited - Convertible Bonds	-	Financial assets at FVTPL - current	30	-	-	-	Note 1
	Evergreen Aviation Technologies Corporation	-	Financial assets at FVTPL - current	1,050	85,218	-	85,218	Note 2
	Genius Vision Digital Inc.	-	Financial assets at FVTPL - non-current	300	-	1	-	Note 1
	Lead Sun Corporation	-	Financial assets at FVTPL - non-current	1,000	34,407	11	34,407	Note 1
	AI3 Co.	-	Financial assets at FVTPL - non-current	33	431	1	431	Note 1
	GEMFOR Leading Financial Solution Provider Fund	-	Financial assets at FVTPL - non-current	1	-	-	-	Note 1
	Sunplus	Parent company	Financial assets at FVTOCI - non-current	3,560	79,744	1	79,744	Note 2
	Prine Rich International Co., Ltd.	-	Financial assets at FVTOCI - non-current	33	2,860	-	2,860	Note 1
Russell	Synerchip Inc.	-	Financial assets at FVTPL - non-current	6,452	-	12	-	Note 1
	OZ Optics Limited	-	Financial assets at FVTPL - non-current	1,000	-	8	-	Note 1
	Ortega InfoSystem, Inc.	-	Financial assets at FVTPL - non-current	2,557	-	-	-	Note 1
	Innobrige International Inc.	-	Financial assets at FVTPL - non-current	4,000	-	15	-	Note 1
	Ether Precision Inc.	-	Financial assets at FVTPL - non-current	1,250	-	1	-	Note 1
	Intudo Istimewa I, LLC	-	Financial assets at FVTPL - non-current	-	15,355	14	15,355	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Russell	Asia B2B on Line Inc.	-	Financial assets at FVTPL - non-current	1,000	# -	3	# -	Note 1
	AMED Ventures I, L.P.	-	Financial assets at FVTPL - non-current	-	15,863	2	15,863	Note 1
	Intudo Ventures II, L.P.	-	Financial assets at FVTPL - non-current	-	191,335	6	191,335	Note 1
	Intudo Ventures III, L.P.	-	Financial assets at FVTPL - non-current	-	21,386	1	21,386	Note 1
	AMED Ventures II, L.P.	-	Financial assets at FVTPL - non-current	-	3,384	-	3,384	Note 1
	Intudo Istimewa II, LLC	-	Financial assets at FVTPL - non-current	-	15,355	7	15,355	Note 1
	GeneOne Diagnostics Corporation	-	Financial assets at FVTOCI - non-current	1,710	2,369	13	2,369	Note 1
	eYs3d Microelectronics, Inc.	-	Financial assets at FVTOCI - non-current	1,190	15,172	2	15,172	Note 1
Sunplus Venture Capital	Jih Sun Vietnam Opportunity Fund	-	Financial assets at FVTPL - current	500	3,570	-	3,570	Note 3
	Fuyou Venture Capital Limited Partnership (private placement)	-	Financial assets at FVTPL - non-current	-	19,727	5	19,727	Note 1
	eWave System, Inc.	-	Financial assets at FVTPL - non-current	1,833	-	22	-	Note 1
	Book4u Company Limited	-	Financial assets at FVTPL - non-current	9	-	-	-	Note 1
	TGVest Capital Limited Partnership	-	Financial assets at FVTPL - non-current	-	51,922	5	51,922	Note 1
	Simple Act Inc.	-	Financial assets at FVTPL - non-current	1,900	-	10	-	Note 1
	Genius Vision Digital Co., Ltd.	-	Financial assets at FVTPL - non-current	375	-	1	-	Note 1
	Intelligo Technology Inc.	-	Financial assets at FVTPL - non-current	337	40,380	1	40,380	Note 1
	Grand Fortune Venture Capital Co., Ltd.	-	Financial assets at FVTPL - non-current	4,000	46,864	7	46,864	Note 1
	Huijia Health Life Technology	-	Financial assets at FVTPL - non-current	1,049	1,470	5	1,470	Note 1
	San Neng Group Holding Co., Ltd.	-	Financial assets at FVTPL - non-current	900	33,390	1	33,390	Note 2
	Raynergy Tek Inc.	-	Financial assets at FVTPL - non-current	5,691	37,330	12	37,330	Note 1
	Fuyou Venture Capital Limited Partnership	-	Financial assets at FVTPL - non-current	5,000	50,622	10	50,622	Note 1
	CDIB Capital Growth Partners L.P.	-	Financial assets at FVTPL - non-current	-	100,765	2	100,765	Note 1
	TIEF Fund, L.P.	-	Financial assets at FVTPL - non-current	-	44,905	7	44,905	Note 1
	Pacific 8 Ventures Fund II, L.P.	-	Financial assets at FVTPL - non-current	-	5,519	2	5,519	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sunplus Venture Capital	Cerulean Asset Management Co., Ltd.	-	Financial assets at FVTPL - non-current	-	$ 15,011	16	$ 15,011	Note 1
	CSVI Ventures, L.P.	-	Financial assets at FVTPL - non-current	-	29,139	2	29,139	Note 1
	Intudo Ventures I, L.P.	-	Financial assets at FVTPL - non-current	-	111,827	8	111,827	Note 1
	Promise Technology Inc.	-	Financial assets at FVTOCI - non-current	962	4,340	1	4,340	Note 1
	Feature Integration Technology Inc.	-	Financial assets at FVTOCI - non-current	602	28,957	2	28,957	Note 2
	Innorich Venture Capital Corp.	-	Financial assets at FVTOCI - non-current	3,000	20,518	6	20,518	Note 1
	Neuchips Inc. - Preference shares	-	Financial assets at FVTOCI - non-current	585	17,397	3	17,397	Note 1
	Neuchips Inc.	-	Financial assets at FVTOCI - non-current	2,100	62,449	3	62,449	Note 1
	Protect Life International Biomedical Inc.	-	Financial assets at FVTOCI - non-current	1,564	1,610	4	1,610	Note 1
Wei-Young Investment	Feedback Technology Corp.	-	Financial assets at FVTPL - current	50	4,320	-	4,320	Note 2
Sunplus Shanghai	Ready Sun Investment Group Fund	-	Financial assets at FVTPL - non-current	-	41,012	16	41,012	Note 1
	Xiamen Xm-plus Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	2,200	63,349	3	63,349	Note 1
Generalplus Technology	Yuanta De-Li Money Market Fund	-	Financial assets at FVTPL - current	12,855	213,002	-	213,002	Note 3
Sunplus Innovation Technology	Yuata De-Bao Money Market Fund	-	Financial assets at FVTPL - current	23,108	281,956	-	281,956	Note 3
	Advanced Silicon SA	-	Financial assets at FVTOCI - non-current	1,000	17,953	10	17,953	Note 1
	Advanced NuMicro System, Inc.	-	Financial assets at FVTOCI - non-current	2,000	-	8	-	Note 1
	PointGrab Ltd.	-	Financial assets at FVTOCI - non-current	453	-	1	-	Note 1
Chongqing CQPLus1	Vicoretek Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	121,930	8	121,930	Note 1
Giant Rock Inc.	Xiamen Xm-plus Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	8,950	258,214	11	258,214	Note 1
Sunext Technology	Evergreen Steel Co., Ltd.	-	Financial assets at FVTPL - current	200	10,320	-	10,320	Note 2
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at FVTPL - current	50	22,425	-	22,425	Note 2
	MediaTek Inc.	-	Financial assets at FVTPL - current	10	6,250	-	6,250	Note 2
	SinoPac ESG Global Digital Infrastructure Fund	-	Financial assets at FVTPL - current	500	4,645	-	4,645	Note 3

Note 1: The market value was based on the carrying amount as of December 31 2022.

Note 2: The market value was based on the closing price as of December 31, 2022.

Note 3: The market value was based on the net asset value of the fund as of December 31, 2022.

(Concluded)

TABLE 4

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal (Note 4)	Number of Shares	Amount
Sunplus	iCatch Technology	Non-current assets held for sale	Egis Technology Inc.	-	8,000	$ 108,504	-	$ -	8,000	$ 535,987	$ 108,504	$ 449,000	-	$ -
Generalplus Technology	Yuanta De-Li Money Market Fund	Financial assets at FVTPL - current	-	-	4,684	77,149	32,472	536,000	24,301	401,000	400,500	500	12,855	213,002
Sunplus Innovation Technology	Taishin Ta Chong Money Market Fund	Financial assets at FVTPL - current	-	-	9,765	140,136	-	-	9,765	140,365	140,000	365	-	-

Note 1: Marketable Securities in this table include shares, bonds, beneficiary certificates and derivative products.

Note 2: Fill in the two columns if marketable securities are accounted for using equity method.

Note 3: The accumulated amount of acquisition/disposal were calculated at costs or prices of at least NT$300 million or 20% of the paid-in capital separately.

Note 4: Gain(loss) on disposal include gain(loss) on disposal of equity transfers directly related to non-current assets held for sale.

Note 5: Paid-in capital is the paid-in capital of the parent company Shares of issuers without par value or not NT$10 per share are calculated according to 10% of total equity attributable to owners of the Company regarding the regulation on transaction amount of 20% of paid-in capital.

SUNPLUS TECHNOLOGY COMPANY LIMITED 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, 2022
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Sunplus	Chongqing CQPlus1	Subsidiary	Purchases	$ 158,275	16.16	Based on contract	Based on contract	Based on contract	$ (15,580)	9.05	-

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCES
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2022	December 31, 2021	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Sunplus	Ventureplus Group	Belize	Investment	$ 2,458,183 (US$ 74,605 RMB$ 37,900)	$ 2,458,183 (US$ 74,605 RMB$ 37,900)	-	100	$ 1,678,364	$ 66,904	$ 43,992	Subsidiary
	Award Glory Ltd.	Belize	Investment	291,676 (US$ 7,072 RMB$ 16,900)	291,676 (US$ 7,072 RMB$ 16,900)	9,567	100	368,974	(96,941)	(96,941)	Subsidiary
	Global View Co., Ltd.	New Taipei, Taiwan	Consumer electronics, components and rental of buildings	315,658	315,658	8,229	13	318,969	100,898	13,180	Investee
	Lin Shin Investment	Hsinchu, Taiwan	Investment	699,988	699,988	70,000	100	814,218	61,819	54,699	Subsidiary
	Generalplus Technology	Hsinchu, Taiwan	Design of ICs	281,001	281,001	37,324	34	847,758	579,378	198,729	Subsidiary
	Sunplus Venture Capital	Hsinchu, Taiwan	Investment	829,982	829,982	83,000	100	1,103,338	105,174	105,174	Subsidiary
	Sunplus Innovation Technology	Hsinchu, Taiwan	Design of ICs	273,941	374,161	29,266	50	1,165,423	373,317	191,037	Subsidiary
	Russell	Cayman Islands, British West Indies	Investment	926,981 (US$ 30,185)	926,981 (US$ 30,185)	30,185	100	890,371	111,666	111,666	Subsidiary
	iCatch Technology	Hsinchu, Taiwan	Design of ICs	127,345	127,345	12,735	13	282,913	69,940	8,740	Investee
	Sunext Technology	Hsinchu, Taiwan	Design of ICs	1,002,531	983,237	63,487	100	248,972	(25,890)	(23,872)	Subsidiary
	Sunplus mMedia	Hsinchu, Taiwan	Design of ICs	407,565	407,565	22,441	90	22,667	(660)	(592)	Subsidiary
	Sunplus Management Consulting	Hsinchu, Taiwan	Management	5,000	5,000	500	100	3,193	(190)	(190)	Subsidiary
	Sunplus Technology (H.K.)	Kowloon Bay, Hong Kong	International trade	43,613 (HK$ 11,075)	43,613 (HK$ 11,075)	11,075	100	28	-	-	Subsidiary
	Magic Sky	Samoa	Investment	-	317,541 (US$ 10,340)	-	-	-	(655)	(655)	Subsidiary (Note 4)
	Sunplus mMobile	Hsinchu, Taiwan	Design of ICs	2,596,792	2,596,792	16,240	100	29,043	(183)	(183)	Subsidiary (Note 6)
	Wei-Young Investment	Hsinchu, Taiwan	Investment	70,157	70,157	5,400	100	38,159	(21,214)	(21,214)	Subsidiary
	Jumplux Technology	Hsinchu, Taiwan	Design of ICs	132,000	132,000	13,200	55	3,407	40,261	22,144	Subsidiary
	AkiraNet Co., Ltd.	Taipei, Taiwan	Information software service	174,000	174,000	17,400	26	156,053	(132,473)	(36,275)	Investee
Lin Shin Investment	Generalplus Technology	Hsinchu, Taiwan	Design of ICs	86,256	86,256	14,892	14	339,468	579,378	79,292	Subsidiary
	Sunplus Innovation Technology	Hsinchu, Taiwan	Design of ICs	15,701	15,701	1,075	2	40,570	373,317	7,015	Subsidiary
	iCatch Technology	Hsinchu, Taiwan	Design of ICs	9,645	9,645	965	1	23,230	69,640	821	Investee
	Sunplus mMedia	Hsinchu, Taiwan	Design of ICs	19,408	19,408	650	3	5,321	(660)	(17)	Subsidiary
	GlintMed Innovation	Hsinchu, Taiwan	Investment management consultant	1,250	1,250	125	13	591	(1,726)	(216)	Investee
Sunplus Venture Capital	Jumplux Technology.	Hsinchu, Taiwan	Design of ICs	101,000	101,000	10,100	42	2,607	40,261	16,942	Subsidiary
	Sunplus Innovation Technology	Hsinchu, Taiwan	Design of ICs	60,588	60,588	2,924	5	117,414	373,317	19,084	Subsidiary
	iCatch Technology	Hsinchu, Taiwan	Design of ICs	33,439	33,439	3,332	4	80,242	69,640	2,835	Investee
	Sunplus mMedia	Hsinchu, Taiwan	Design of ICs	44,878	44,878	1,909	8	375	(660)	(50)	Subsidiary
	GenkiTek Technology	Taipei, Taiwan	Software development	-	20,000	-	-	-	(5,602)	(3,501)	Subsidiary (Note 3)
	GlintMed Innovation	Hsinchu, Taiwan	Investment management consultant	1,250	1,250	125	13	591	(1,726)	(216)	Investee
Russell	Autosys Co., Ltd.	Cayman Islands, British West Indies	Investment	76,775 (US$ 2,500)	76,775 (US$ 2,500)	5,000	16	70,200	(25,646)	(4,167)	Investee
Ventureplus Group	Ventureplus Mauritius Inc.	Mauritius	Investment	2,458,183 (US$ 74,605 RMB$ 37,900)	2,458,183 (US$ 74,605 RMB$ 37,900)	-	100	1,712,958	66,904	66,904	Subsidiary
Ventureplus Mauritius Inc.	Ventureplus Cayman Inc.	Cayman Islands, British West Indies	Investment	2,458,183 (US$ 74,605 RMB$ 37,900)	2,458,183 (US$ 74,605 RMB$ 37,900)	-	100	1,712,936	66,902	66,902	Subsidiary
Generalplus Technology	Generalplus International (Samoa) Inc.	Samoa	Investment	586,254 (US$ 19,090)	586,254 (US$ 19,090)	19,090	100	532,120	17,470	17,470	Subsidiary
Generalplus International (Samoa) Inc.	Generalplus (Mauritius) Inc.	Mauritius	Investment	586,254 (US$ 19,090)	586,254 (US$ 19,090)	19,090	100	539,489	17,470	17,470	Subsidiary
Generalplus (Mauritius) Inc.	Generalplus Technology (Hong Kong) Co., Inc.	Hong Kong	Sales	11,977 (US$ 390)	11,977 (US$ 390)	-	100	11,565	(267)	(267)	Subsidiary

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2022	December 31, 2021	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Award Glory Ltd.	Sunny Fancy Ltd.	Seychelles	Investment	$ 291,676 (US$ 7,072 RMB$ 16,900)	$ 291,676 (US$ 7,072 RMB$ 16,900)	9,567	100	$ 368,975	$ (96,941)	$ (96,941)	Subsidiary
Sunny Fancy Ltd.	Giant Kingdom Ltd.	Seychelles	Investment	-	23,708 (US$ 772)	-	-	-	(50)	(50)	Subsidiary (Note 5)
	Giant Rock Inc.	Anguilla	Investment	157,412 (US$ 2,700 RMB$ 16,900)	157,412 (US$ 2,700 RMB$ 16,900)	5,195	100	260,323	(105,387)	(105,387)	Subsidiary
	Worldplus Holdings L.L.C.	America	Investment	110,556 (US$ 3,600)	110,556 (US$ 3,600)	-	100	108,428	8,488	8,488	Subsidiary
	Giant Best Ltd.	Seychelles	Investment	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	Subsidiary

Note 1: The initial exchange rate was based on the exchange rate as of December 31, 2022.

Note 2: The cancellation of Giant Best Ltd. was completed on September 5, 2022..

Note 3: The disposed of GenkiTek Technology was completed on June 20, 2022.

Note 4: The disposed of Magic Sky was completed on June 22, 2022.

Note 5: The cancellation of Giant Kingdom Ltd. was completed on September 5, 2022.

Note 6: The dissolution of Sunplus mMobile was completed on February 28, 2022.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the investee	Investment Loss (Note 2)	Carrying Value as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
Sunplus Shanghai	Development of computer software, system integration services and building rental	$ 528,212 (US$ 17,200)	Note 1	$ 542,185 (US$ 17,655)	$ -	$ -	$ 542,185 (US$ 17,655)	100%	$ 97,155	$ 97,155	$ 702,793	$ -
Sunplus Prof-tek (Shenzhen) Co., Ltd.	Development of computer software, system integration services and building rental and property management	990,398 (US$ 32,250)	Note 1	990,398 (US$ 32,250)	-	-	990,398 (US$ 32,250)	100%	(16,585)	(16,585)	732,496	-
Sun Media Technology	Development of computer software, system integration services and building rental	614,200 (US$ 20,000)	Note 1	614,200 (US$ 20,000)	-	-	614,200 (US$ 20,000)	100%	(14,300)	(14,300)	208,955	-
Sunplus App	Sale of electronic components and information management and education	171,912 (RMB$ 39,000)	Note 1	167,868 (US$ 586 RMB$ 34,000)	-	-	167,868 (US$ 586 RMB$ 34,000)	97%	(1,394)	(1,394)	2,355	-
Beijing Sunplus EHue Tech	Development of computer software, system integration services and building rental	119,016 (RMB$ 27,000)	Note 1	119,016 (RMB$ 27,000)	-	-	119,016 (RMB$ 27,000)	100%	995	995	52,624	-
JSilicon Technology	Development of computer software, IC design	-	Note 3	-	-	-	-	-	(146)	(146)	-	-
Worldplus	Software development, building rental and property management	83,924 (RMB$ 19,039)	Note 5	110,556 (US$ 3,600)	-	-	110,556 (US$ 3,600)	100%	(9,820)	(8,488)	108,428	-
Chongqing CQPlus1	Development of computer software, IC design	176,320 (RMB$ 40,000)	Note 4	-	-	-		100%	32,087	32,087	155,604	-

Accumulated Investment in Mainland China as of December 31, 2022 (Note 6)	Investment Amounts Authorized by the Investment Commission, MOEA	Limit on Investment
$ 2,730,132 (US$ 79,872 RMB 62,900)	$ 2,731,693 (US$ 80,052 RMB 62,000)	$ 5,557,253

Sunplus Venture Capital

Accumulated Investment in Mainland China as of December 31, 2022 (Note 7)	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$ 94,802 (US$ 3,087)	$ 94,802 (US$ 3,087)	$ 662,003

Lin Shin Investment

Accumulated Investment in Mainland China as of December 31, 2022 (Note 8)	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$ 28,591 (US$ 931)	$ 28,591 (US$ 931)	$ 536,377

(Continued)

Generalplus Technology (Nature of Relationship: 1)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	% Ownership of Direct or Indirect Investment	Net Loss of the investee	Investment Loss (Note 2)	Carrying Value as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
Generalplus Shenzhen	Design of ICs, after sales service and marketing research	$ 574,277 (US$ 18,700)	Note 1	$ 574,277 (US$ 18,700)	$ -	$ -	$ 574,277 (US$ 18,700)	100%	$ 17,737	$ 17,737	$ 527,904	$ -

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amount Authorized by the Investment Commission, MOEA	Limit on Investment
$ 574,277 (US$ 18,700)	$ 574,277 (US$ 18,700)	$ 1,500,071

Note 1: Indirect investment in a company located in mainland China through investment in a company located in a third country.

Note 2: Based on the reviewed financial statements of investees in the same period.

Note 3: Sunplus Shanghai's direct investment in a company located in mainland China and it was liquidated on August 30, 2022.

Note 4: Sunplus Shanghai and Sunplus pro-tek (Shenzhen) reinvested in a company located in mainland China.

Note 5: It is a company located in mainland China that acquired the investment of the third regional investment company on September 2, 2019.

Note 6: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs includes the investment business of Xiamen Xm-plus Technology Co., Ltd. in mainland China, and is included in the financial assets at FVTPL-non-current.

Note 7: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs includes the investment business of Sanneng Group Holding Company in mainland China, Sanneng Appliances (Wuxi) Co., Ltd. and CSVI Ventures, L.P., and is included in the financial assets at FVTPL-non-current.

Note 8: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs includes the investment business of Arizon RFID Technology Co., Ltd. in mainland China, and is included in the financial assets at FVTPL-current.

Note 9: The original foreign currency was derived from the exchange rate on December 31, 2022.

(Concluded)

SUNPLUS TECHNOLOGY COMPANY LIMITED 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, 2022
(In Thousands of New Taiwan Dollars)

Investee Company	Transaction Type	Research and Development Expense		Price	Transaction Details		Notes/Trade Receivables (Payables)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Market Transactions	Ending Balance	%		
Generalplus Shenzhen	Development and processing services	$ 80,635	13.83	Based on contract	Based on contract	Not comparable with market transactions	$ 19,370	86.69	$ -	NA
	Sales	19,851	0.63	Based on contract	Based on contract	Not comparable with market transactions	4,395	1.15	1,763	NA
Chongqing CQPlus1	Purchases	158,275	16.16	Based on contract	Based on contract	Not comparable with market transactions	(15,580)	100.00	(22,912)	NA
	Manufacturing expense	10,575	2.77	Based on contract	Based on contract	Not comparable with market transactions	(1,122)	4.78	-	NA
SunMedia	Development and processing services	35,428	2.64	Based on contract	Based on contract	Not comparable with market transactions	(9,829)	41.91	-	NA
Sunplus Prof-tek Technology (Shenzhen)	Processing services	46,576	3.47	Based on contract	Based on contract	Not comparable with market transactions	(12,502)	53.31	-	NA

SUNPLUS TECHNOLOGY COMPANY LIMITED

INFORMATION OF MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chou-chye, Huang	92,737,817	15.66

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 preference 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 the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security 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 Market Observation Post System.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Amount
Cash	
Cash in banks	
Currency deposits	$ 109,293
Time deposits (Note 1)	10,500
Foreign deposits (Note 2)	180,978
Cash on hand (Note 3)	355
	301,126
Less: Restricted assets	54,110
Total	$ 247,016

Note 1: NTD$10,500 thousand Time deposits, interest rates at 0.76 %- 1.33 %.

Note 2: Including US$5,882 thousand @30.710, HKD$2 thousand @3.938, GBP$0.3 thousand @37.090, JPY$43 thousand @0.232 and RMB$70 thousand @4.408.

Note 3: Including NTD$100 thousand, HKD$7 thousand @3.938, JPY$110 thousand @0.232, US$3 thousand @30.710, EUR$0.3 thousand @32.720, GBP$2 thousand @37.090 and RMB$2 thousand @4.408.

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Units (Thousand)	Cost	Fair Value Unit Price	Fair Value Amount	Note
Domestic unlisted shares					
Triknight Capital Corporation	40,842	$ 292,850	6.6	$ 269,823	Note 1
Domestic listed shares					
Evergreen Steel Co., Ltd.	300	10,500	51.6	15,480	Note 2
Foreign limited partnership					
Vertex Growth II (SG) L.P.	-	3,946	-	3,644	Note 1
AMED Ventures II, L.P.	-	4,821	-	2,539	Note 1
				6,183	
Less: Current assets				(15,480)	
				$ 276,006	

Note 1: The market value was based on the net carrying amount as of December 31, 2022.

Note 2: The market value was based on the closing price of December 31, 2022.

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF TRADE RECEIVABLES, NET
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Trade receivable from related parties	
Jumplux Technology	$ 532
Generalplus Technology	404
iCatch Technology	352
Others (Note)	15
	1,303
Trade receivable from unrelated parties	
Client A	61,017
Client B	41,968
Client C	40,656
Client D	21,148
Client E	9,844
Others (Note)	8,454
	183,087
Total	$ 184,390

Note: The amount of individual clients that is included in others does not exceed 5% of the account balance.

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF INVENTORIES
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value
Finished goods	$ 313,529	$ 720,002
Work in progress	327,833	828,910
Raw materials	331,978	636,206
Total	$ 973,340	$2,185,118

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Balance, January 1, 2022		Additions		Decreases		Increase (Decrease) Amount Evaluated by Equity Method						Balance, December 31, 2022				
	Shares (Thousand)	Amount	Shares (Thousand)	Amount	Shares (Thousand)	Amount	Investment (Loss) Gain	Exchange Differences Arising on Translation to the Presentation Currency	Transferred Capital Surplus	Fair Value Changes of Financial Assets at FVTOCI	Actuarial (Loss) Gain	Credit balance of investments accounted for using equity method (Accounted for Current Liability)	Shares (Thousand)	%	Amount	Net Assets Value	Note
Global View Co., Ltd.	8,229	$ 342,742	-	$ -	-	$ 16,459	$ 13,180	$ 1,458	$ -	$ (21,952)	$ -	$ -	8,229	13	$ 318,969	$ 318,969	Note 1
Ventureplus Group	-	1,594,626	-	-	-	-	43,992	23,608	-	16,138	-	-	-	100	1,678,364	1,712,961	Note 1
Lin Shin Investment	70,000	1,057,567	-	-	-	307,098	54,699	1,186	8,090	20	(246)	-	70,000	100	814,218	814,218	Notes 1 and 3
Generalplus Technology	37,324	848,020	-	131	-	201,550	198,729	2,972	-	-	(544)	-	37,324	34	847,758	847,922	Note 1
Sunplus Venture Capital	83,000	1,068,483	-	-	-	53,867	105,174	-	3,882	(20,230)	(104)	-	83,000	100	1,103,338	1,103,338	Note 1
Sunplus Innovation Technology	29,266	1,286,616	-	-	-	292,657	191,037	-	(19,673)	-	100	-	29,266	50	1,165,423	1,165,423	Note 1
Russell	30,185	698,927	-	-	-	-	111,666	80,985	696	(1,903)	-	-	30,185	100	890,371	890,371	Note 1
Sunext Technology	58,778	254,472	4,709	19,294	-	-	(23,872)	-	(922)	-	-	-	63,487	100	248,972	248,972	Note 1
iCatch Technology	12,735	251,001	-	1,256	-	-	8,740	-	22,350	-	(434)	-	12,735	13	282,913	233,237	Note 1
Sunplus mMedia	22,441	23,259	-	-	-	-	(592)	-	-	-	-	-	22,441	90	22,667	10,005	Note 1
Wei-Young Investment	5,400	102,854	-	-	-	43,481	(21,214)	-	-	-	-	-	5,400	100	38,159	38,159	Note 1
AkiraNET Co., Ltd.	17,400	195,034	-	-	-	-	(36,275)	-	(2,706)	-	-	-	17,400	26	156,053	156,053	Note 1
Sunplus Management Consulting	500	3,383	-	-	-	-	(190)	-	-	-	-	-	500	100	3,193	3,193	Note 2
Sunplus Technology (H.K.)	11,075	25	-	-	-	-	-	3	-	-	-	-	11,075	100	28	28	Note 1
Magic Sky	10,340	668	-	-	10,340	21	(655)	8	-	-	-	-	-	-	-	-	Note 1
Sunplus mMobile	16,240	29,226	-	-	-	-	(183)	-	-	-	-	-	16,240	100	29,043	29,043	Note 1
Award Glory	9,567	465,117	-	-	-	-	(96,941)	798	-	-	-	-	9,567	100	368,974	368,974	Note 1
Jumplux Technology	13,200	-	-	-	-	-	22,144	-	-	-	-	(18,737)	13,200	55	3,407	3,407	Note 1
Total		$ 8,222,020		$ 20,681		$ 915,133	$ 569,439	$ 111,018	$ 11,717	$ (27,927)	$ (1,228)	$ (38,737)			$ 7,971,850	$ 7,944,273	

Note 1: The gains and losses of the investment and the net equity value are calculated according to the investees' financial statements which are audited by the accountant.

Note 2: The gains and losses of the investment and the net equity value are calculated according to the investees' financial statements which are unaudited by the accountant.

Note 3: The carrying amount and net value included deduction of the book value of the parent company's stock held by the subsidiary in the amount of $79,744 thousand.

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS AND STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

	Land	Transportation Equipment	Total
Cost			
Balance at January 1, 2022	$ 182,215	$ -	$ 182,815
Additions	753	3,026	3,779
Balance at December 31, 2022	183,568	3,026	186,594
Accumulated depreciation			
Balance at January 1, 2022	17,252	-	17,252
Depreciation	5,656	336	5,992
Balance at December 31, 2022	22,908	336	23,244
Carrying amount at December 31, 2022	$ 160,660	$ 2,690	$ 163,350

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF LONG-TERM BORROWINGS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Creditor	Balance End of Year	Period	Range of Interest Rates (%)	Financing Facilities	Repayment Method	Pledged or Mortgaged
Medium - to long-term credit borrowings						
Shanghai Commercial Bank	$ 500,000	2022.11.18-2027.11.18	1.875%	$ 500,000	The loan is to be repaid quarterly-annually in 16 installments, with the first installment commencing in the second year after the first drawdown date.	-
Far Eastern International Bank	500,000	2022.09.02-2025.09.02	1.875%	500,000	The loan is to be repaid semiannually from September 2024, in 3 installments, 1 & 2 installment repay 20% respectively, and the balance will be paid on final installment	-
	1,000,000			$ 1,000,000		
Less: Current portion	-					
	$ 1,000,000					

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Related parties	
Chongqing CQPlus1	$ 15,580
Unrelated parties	
Supplier A	38,836
Supplier B	21,693
Supplier C	18,710
Supplier D	15,330
Supplier E	14,038
Supplier F	13,982
Supplier G	12,096
Others (Note)	21,821
	156,056
Total	$ 172,086

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF LEASE LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Lease Term	Discount Rate	Amount
Land	2015.08-2034.12	2.390%	$ 77,078
Land	2002.06-2041.12	2.390%	65,404
Land	2021.01-2040.12	2.390%	25,054
Transportation Equipment	2022.09-2025.08	1.625%	2,710
Less: Lease liabilities - current			(5,169)
Lease liabilities -non-current			$ 165,077

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF NET REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Quantity	Unit	Amount
Multimedia IC	16,188	Thousand	$ 1,583,433
Other			86,826
			1,670,259
Sales allowance			(208,426)
Sales return			(87,291)
			$ 1,374,542

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF COST REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw material, beginning of year	$ 214,668
Raw material purchased	946,959
Transferred to expenses	(1,629)
Raw materials, end of year	(331,978)
Raw materials used	828,020
Direct labor	7,953
Manufacturing expenses	382,044
Manufacturing costs	1,218,017
Work in progress, beginning of year	195,671
Transferred to expenses	(6,690)
Work in progress, end of year	(327,833)
Cost of finished goods	1,079,165
Finished goods, beginning of year	123,892
Finished goods purchased	32,481
Transferred to expenses	(3,737)
Finished goods, end of year	(313,529)
Total	$ 918,272

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses
Royalty	$ 68,361	$ -	$ 468
Marketing expense	10,883	-	-
Salary	6,753	95,673	402,960
Commission expense	6,444	-	-
Depreciation	427	33,910	119,894
Professional service fees	1	15,721	640
Amortization	-	1,403	94,703
Design fee	-	-	89,956
Service fee	-	-	82,004
Others (Note)	5,824	63,340	244,051
Total	$ 98,693	$ 210,047	$ 1,034,676

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

SUNPLUS TECHNOLOGY COMPANY LIMITED

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31					
	2022			2021		
	Classified as Operating Cost	Classified as Operating Expenses	Total	Classified as Operating Cost	Classified as Operating Expenses	Total
Labor cost						
Salary	$ 28,766	$ 505,386	$ 534,152	$ 29,812	$ 451,128	$ 480,940
Labor and health insurance	2,967	37,606	40,573	2,915	34,333	37,248
Pension	1,496	21,565	23,061	1,532	20,730	22,262
Remuneration of directors	-	5,458	5,458	-	20,555	20,555
Others	1,414	14,883	16,297	1,384	13,488	14,872
Total	$ 34,643	$ 584,898	$ 619,541	$ 35,643	$ 540,234	$ 575,877
Depreciation	$ 4,837	$ 154,231	$ 159,068	$ 3,215	$ 82,261	$ 85,476
Amortization	$ 165	$ 96,106	$ 96,271	$ 24	$ 90,278	$ 90,302

Note 1: For the years ended December 31, 2022 and 2021, the Company had 353 and 344 employees on average, respectively, which included 6 directors who did not serve concurrently as employees for both years.

Note 2: Companies whose stocks are listed on the stock exchange or listed on the stock counter trading center should disclose the following information:

1) The average employee welfare expense for the current year is 1,770 thousand (“Total employee welfare expenses for the current year-Total directors’ remuneration”/“Number of employees for the current year-Number of directors who are not concurrent employees”).

   The average employee welfare expense for the current year is 1,643 thousand (“Total employee welfare expenses for the current year-Total directors’ remuneration”/“Number of employees for the current year-Number of directors who are not concurrent employees”).

2) The average employee salary expenses for the current year is 1,539 thousand (the total salary expenses for the current year/“the number of employees in the current year-the number of directors who are not part-time employees”).

   The average employee salary expenses for the current year is 1,423 thousand (the total salary expenses for the current year/“the number of employees in the current year-the number of directors who are not part-time employees”).

3) Changes in the average employee salary expense adjustment 8% (“Average employee salary expense for the current year-Average employee salary expense for the previous year”/Average employee salary expense for the previous year).

4) The Company has established an audit committee on 2015, and the remuneration of independent directors has been included in the remuneration of directors.

5) Compensation and Remuneration Policy.

   a. Remuneration of directors is paid at prevailing rates according to the “Directors’ Remuneration and Travel Allowance Policy of the Company”. When the Company make a profit, the compensation and remuneration of directors is accrued and reviewed by the compensation committee and the board of directors according to the Company’s compensation and remuneration policy. The compensation arrangement shall be reported in the shareholders’ meeting.

   b. The compensation and remuneration of the President and Vice Presidents of the Company is determined in accordance with the Company’s Performance Management Policy. Executives’ compensation packages are based on individual performance and their contribution to the Company’s overall performance with benchmarking to market compensation surveys. The compensation committee shall review the KPIs and measurements, followed by performance appraisal, and consequently reward the executives with the approval of the board of directors.

   c. The Company’s remuneration policy takes into account the staff’s professional seniority, work performance, goal achievement, major contributions, etc. The director of the center completes the performance appraisal, which is divided into excellent, good, competent, and qualitative comments for improvement, which are approved by the chief executive officer.