

Silergy Corp.
(Incorporated in the Cayman Islands)
and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Silergy Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Silergy Corp. and its subsidiaries (collectively, the "Company"), as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Ming-Yen Chien and Chun-Hung Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 14, 2024

Notice to Readers

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

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

SILERGY CORP.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 15,471,513	43	\$ 12,694,412	37	\$ 16,720,316	47
Financial assets at amortized cost - current (Note 8)	4,061,115	11	5,728,588	17	1,329,365	4
Accounts receivable, net (Notes 9 and 23)	1,990,308	6	1,784,939	5	1,411,402	4
Other receivables (Notes 9 and 30)	152,834	-	530,092	1	114,879	-
Inventories (Note 10)	1,933,116	5	1,817,170	5	4,637,642	13
Prepayments (Note 18)	<u>575,342</u>	<u>2</u>	<u>297,787</u>	<u>1</u>	<u>447,957</u>	<u>1</u>
Total current assets	<u>24,184,228</u>	<u>67</u>	<u>22,852,988</u>	<u>66</u>	<u>24,661,561</u>	<u>69</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 29)	4,180,043	11	4,122,780	12	3,984,257	11
Investments accounted for using the equity method (Note 12)	939,556	3	941,175	3	892,123	3
Property, plant and equipment (Note 13)	2,808,025	8	2,350,218	7	1,851,669	5
Right-of-use assets (Note 14)	847,443	2	837,759	2	615,144	2
Investment properties (Note 15)	523,003	1	537,704	2	595,336	2
Goodwill (Note 16)	1,465,862	4	1,406,832	4	1,493,999	4
Other intangible assets (Note 17)	567,988	2	540,692	2	659,866	2
Deferred tax assets (Note 4)	215,237	1	323,851	1	219,503	1
Refundable deposits (Notes 30 and 31)	338,012	1	325,853	1	442,234	1
Long-term accounts receivable, net (Note 11)	191,684	-	164,738	-	168,386	-
Long-term prepayments (Note 18)	<u>27,156</u>	<u>-</u>	<u>17,422</u>	<u>-</u>	<u>26,593</u>	<u>-</u>
Total non-current assets	<u>12,104,009</u>	<u>33</u>	<u>11,569,024</u>	<u>34</u>	<u>10,949,110</u>	<u>31</u>
TOTAL	<u>\$ 36,288,237</u>	<u>100</u>	<u>\$ 34,422,012</u>	<u>100</u>	<u>\$ 35,610,671</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowing (Note 19)	\$ 252,572	1	\$ 160,403	1	\$ -	-
Accounts payable	608,902	2	487,961	1	508,646	2
Accounts payable - related parties (Note 30)	7,807	-	3,577	-	3,503	-
Other payables (Notes 20 and 30)	1,900,715	5	1,056,888	3	2,950,756	8
Current tax liabilities	110,734	-	113,651	-	363,854	1
Lease liabilities - current (Note 14)	88,968	-	84,538	-	46,909	-
Other current liabilities (Notes 20, 23 and 30)	<u>36,137</u>	<u>-</u>	<u>42,981</u>	<u>-</u>	<u>26,643</u>	<u>-</u>
Total current liabilities	<u>3,005,835</u>	<u>8</u>	<u>1,949,999</u>	<u>5</u>	<u>3,900,311</u>	<u>11</u>
NON-CURRENT LIABILITIES						
Long-term borrowing (Note 19)	300,230	1	-	-	-	-
Deferred tax liabilities (Note 4)	59,088	-	68,352	-	34,287	-
Lease liabilities - non-current (Note 14)	195,327	1	205,476	1	44,666	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	3,057	-	2,902	-	1,474	-
Guarantee deposits (Note 32)	403,807	1	654,754	2	1,212,598	4
Other non-current liabilities	<u>4</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>10</u>	<u>-</u>
Total non-current liabilities	<u>961,513</u>	<u>3</u>	<u>931,494</u>	<u>3</u>	<u>1,293,035</u>	<u>4</u>
Total liabilities	<u>3,967,348</u>	<u>11</u>	<u>2,881,493</u>	<u>8</u>	<u>5,193,346</u>	<u>15</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 22 and 27)						
Share capital						
Ordinary shares	<u>962,408</u>	<u>3</u>	<u>960,498</u>	<u>3</u>	<u>955,101</u>	<u>2</u>
Capital surplus	<u>12,784,253</u>	<u>35</u>	<u>12,407,582</u>	<u>36</u>	<u>11,320,526</u>	<u>32</u>
Retained earnings						
Legal reserve	996,568	3	996,568	3	996,568	3
Special reserve	213,051	-	213,051	1	1,461,963	4
Unappropriated earnings	<u>16,713,099</u>	<u>46</u>	<u>17,386,408</u>	<u>50</u>	<u>15,610,713</u>	<u>44</u>
Total retained earnings	<u>17,922,718</u>	<u>49</u>	<u>18,596,027</u>	<u>54</u>	<u>18,069,244</u>	<u>51</u>
Other equity						
Exchange differences on translating foreign operations	664,472	2	(596,716)	(2)	(217,410)	(1)
Unearned employee benefits	<u>(412,402)</u>	<u>(1)</u>	<u>(439,577)</u>	<u>(1)</u>	<u>(393,376)</u>	<u>(1)</u>
Total other equity	<u>252,070</u>	<u>1</u>	<u>(1,036,293)</u>	<u>(3)</u>	<u>(610,786)</u>	<u>(2)</u>
Treasury shares	<u>(239,746)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity attributable to owners of the Company	<u>31,681,703</u>	<u>87</u>	<u>30,927,814</u>	<u>90</u>	<u>29,734,085</u>	<u>83</u>
NON-CONTROLLING INTERESTS (Note 11)	<u>639,186</u>	<u>2</u>	<u>612,705</u>	<u>2</u>	<u>683,240</u>	<u>2</u>
Total equity	<u>32,320,889</u>	<u>89</u>	<u>31,540,519</u>	<u>92</u>	<u>30,417,325</u>	<u>85</u>
TOTAL	<u>\$ 36,288,237</u>	<u>100</u>	<u>\$ 34,422,012</u>	<u>100</u>	<u>\$ 35,610,671</u>	<u>100</u>

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

SILERGY CORP.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE, NET (Note 23)	\$ 3,841,600	100	\$ 3,434,664	100
OPERATING COSTS (Notes 10, 24 and 30)	<u>1,850,117</u>	<u>48</u>	<u>1,904,754</u>	<u>55</u>
GROSS PROFIT	<u>1,991,483</u>	<u>52</u>	<u>1,529,910</u>	<u>45</u>
OPERATING EXPENSES (Notes 9, 21, 24 and 30)				
Selling and marketing expenses	465,326	12	338,056	10
General and administrative expenses	233,440	6	225,423	7
Research and development expenses	1,219,453	32	1,168,412	34
Expected credit loss recognized on trade receivables	<u>101</u>	<u>-</u>	<u>18,076</u>	<u>-</u>
Total operating expenses	<u>1,918,320</u>	<u>50</u>	<u>1,749,967</u>	<u>51</u>
OTHER OPERATING INCOME AND EXPENSES, NET (Note 24)	<u>4,209</u>	<u>-</u>	<u>4,291</u>	<u>-</u>
PROFIT (LOSS) FROM OPERATIONS	<u>77,372</u>	<u>2</u>	<u>(215,766)</u>	<u>(6)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	154,075	4	150,507	4
Other income (Note 24)	125,208	3	155,544	5
Interest expenses (Note 24)	(867)	-	(465)	-
Foreign exchange gain (loss), net (Note 32)	39,921	1	(23,933)	(1)
Share of loss of associates (Note 12)	(42,508)	(1)	(58,223)	(2)
(Loss) gain on financial instruments at fair value through profit or loss (Notes 7 and 29)	(107,639)	(3)	149,758	4
Miscellaneous expenses	<u>(12,627)</u>	<u>-</u>	<u>(9,882)</u>	<u>-</u>
Total non-operating income and expenses	<u>155,563</u>	<u>4</u>	<u>363,306</u>	<u>10</u>
PROFIT BEFORE INCOME TAX	232,935	6	147,540	4
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 25)	<u>(159,056)</u>	<u>(4)</u>	<u>27,326</u>	<u>1</u>
NET PROFIT FOR THE PERIOD	<u>73,879</u>	<u>2</u>	<u>174,866</u>	<u>5</u>

(Continued)

SILERGY CORP.
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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	\$ 1,334,185	34	\$ (253,983)	(7)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>(48,134)</u>	<u>(1)</u>	<u>252,999</u>	<u>7</u>
Other comprehensive (loss) income for the year, net of income tax	<u>1,286,051</u>	<u>33</u>	<u>(984)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 1,359,930</u>	<u>35</u>	<u>\$ 173,882</u>	<u>5</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 78,007	2	\$ 218,377	6
Non-controlling interests	<u>(4,128)</u>	<u>-</u>	<u>(43,511)</u>	<u>(1)</u>
	<u>\$ 73,879</u>	<u>2</u>	<u>\$ 174,866</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,339,195	35	\$ 214,018	6
Non-controlling interests	<u>20,735</u>	<u>-</u>	<u>(40,136)</u>	<u>(1)</u>
	<u>\$ 1,359,930</u>	<u>35</u>	<u>\$ 173,882</u>	<u>5</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 0.20</u>		<u>\$ 0.57</u>	
Diluted	<u>\$ 0.20</u>		<u>\$ 0.55</u>	

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

(Concluded)

SILERGY CORP.
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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity (Note 27)			Non-controlling Interests (Note 11)	Total Equity		
	Common Share (Note 23)	Capital Surplus (Notes 23 and 28)	Retained Earnings (Note 22)			Exchange Differences on Translating Foreign Operations	Unearned Employee Benefits	Total Other Equity	Treasury Shares (Note 22)			Total	
			Legal Reserve	Special Reserve	Unappropriated Earnings								Total Retained Earnings
BALANCE AT JANUARY 1, 2023	\$ 953,900	\$ 10,946,900	\$ 996,568	\$ 1,461,963	\$ 17,103,077	\$ 19,561,608	\$ (213,051)	\$ (486,073)	\$ (699,124)	\$ -	\$ 30,763,284	\$ 728,770	\$ 31,492,054
Appropriation of the 2022 earnings	-	-	-	-	(1,710,741)	(1,710,741)	-	-	-	-	(1,710,741)	-	(1,710,741)
Cash dividends distributed by Silergy Corp.	-	-	-	-	(1,710,741)	(1,710,741)	-	-	-	-	(1,710,741)	-	(1,710,741)
Changes in percentage of ownership interests in subsidiaries	-	27,882	-	-	-	-	-	-	-	-	27,882	(27,882)	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	1,358	-	-	-	-	-	-	-	-	1,358	-	1,358
Recognition compensation cost of employee share options by Silergy Corp.	-	277,740	-	-	-	-	-	-	-	-	277,740	-	277,740
Net profit (loss) for the three months ended March 31, 2023	-	-	-	-	218,377	218,377	-	-	-	-	218,377	(43,511)	174,866
Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	(4,359)	-	(4,359)	-	(4,359)	3,375	(984)
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	218,377	218,377	(4,359)	-	(4,359)	-	214,018	(40,136)	173,882
Issue of ordinary shares under employee share options	1,146	56,156	-	-	-	-	-	-	-	-	57,302	-	57,302
Issue of restricted shares of stock and recognition of related compensation cost	55	10,490	-	-	-	-	-	92,697	92,697	-	103,242	-	103,242
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	22,488	22,488
BALANCE AT MARCH 31, 2023	\$ 955,101	\$ 11,320,526	\$ 996,568	\$ 1,461,963	\$ 15,610,713	\$ 18,069,244	\$ (217,410)	\$ (393,376)	\$ (610,786)	\$ -	\$ 29,734,085	\$ 683,240	\$ 30,417,325
BALANCE AT JANUARY 1, 2024	\$ 960,498	\$ 12,407,582	\$ 996,568	\$ 213,051	\$ 17,386,408	\$ 18,596,027	\$ (596,716)	\$ (439,577)	\$ (1,036,293)	\$ -	\$ 30,927,814	\$ 612,705	\$ 31,540,519
Appropriation of the 2023 earnings	-	-	-	-	(751,316)	(751,316)	-	-	-	-	(751,316)	-	(751,316)
Cash dividends distributed by Silergy Corp.	-	-	-	-	(751,316)	(751,316)	-	-	-	-	(751,316)	-	(751,316)
Changes in percentage of ownership interests in subsidiaries	-	(5,746)	-	-	-	-	-	-	-	-	(5,746)	5,746	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	6,306	-	-	-	-	-	-	-	-	6,306	-	6,306
Recognition compensation cost of employee share options by Silergy Corp.	-	267,275	-	-	-	-	-	-	-	-	267,275	-	267,275
Net profit (loss) for the three months ended March 31, 2024	-	-	-	-	78,007	78,007	-	-	-	-	78,007	(4,128)	73,879
Other comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	1,261,188	-	1,261,188	-	1,261,188	24,863	1,286,051
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	78,007	78,007	1,261,188	-	1,261,188	-	1,339,195	20,735	1,359,930
Issue of ordinary shares under employee share options	1,910	108,836	-	-	-	-	-	-	-	-	110,746	-	110,746
Issue of restricted shares of stock and recognition of related compensation cost	-	-	-	-	-	-	-	27,175	27,175	-	27,175	-	27,175
Treasury shares acquired	-	-	-	-	-	-	-	-	-	(239,746)	(239,746)	-	(239,746)
BALANCE AT MARCH 31, 2024	\$ 962,408	\$ 12,784,253	\$ 996,568	\$ 213,051	\$ 16,713,099	\$ 17,922,718	\$ 664,472	\$ (412,402)	\$ 252,070	\$ (239,746)	\$ 31,681,703	\$ 639,186	\$ 32,320,889

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

SILERGY CORP.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended	
	March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 232,935	\$ 147,540
Adjustments for:		
Expected credit loss recognized on trade receivables	101	18,076
Net loss (gain) on financial instruments at fair value through profit or loss	107,639	(149,758)
Depreciation expenses	128,876	120,520
Amortization expenses	47,306	52,831
Interest income	(154,075)	(150,507)
Dividend income	(81,588)	(109,571)
Interest expenses	867	465
Compensation cost of employee share options	267,275	277,740
Compensation cost of restricted employee shares	27,175	103,242
Share of loss of associates	42,508	58,223
Loss on disposal of property, plant and equipment	67	-
Gains on disposal of intangible assets	(4,276)	(4,291)
Write-down of inventories	67,251	168,321
Unrealized loss on foreign currency exchange	2,615	8,553
Gain on lease modification	(2)	-
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(206,303)	180,328
Decrease (increase) in other receivables	326,756	(11,245)
(Increase) decrease in inventories	(242,920)	305,174
(Increase) decrease in prepayments	(3,379)	8,373
Decrease in refundable deposits	-	2,350
Increase (decrease) in accounts payable	121,320	(92,041)
Increase (decrease) in accounts payable - related parties	4,230	(1,191)
Increase in other payables	65,281	11,436
Decrease in other current liabilities	(6,844)	(9,204)
Increase in defined benefit liabilities - non-current	155	111
Decrease in guarantee deposits	(261,358)	(85,260)
Cash generated from operations	481,612	850,215
Interest received	184,490	131,232
Interest paid	(867)	(465)
Income tax paid	(325,040)	(106,661)
Net cash generated from operating activities	<u>340,195</u>	<u>874,321</u>

(Continued)

SILERGY CORP.
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CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	\$ (1,354,984)	\$ -
Proceeds from sale of financial assets at amortized cost	3,173,296	1,095,828
Purchase of financial assets at fair value through profit or loss	-	(89,418)
Payments for property, plant and equipment	(398,970)	(176,474)
Increase in refundable deposits	(12,159)	(18,689)
Payments for intangible assets	(51,841)	(51,627)
Payments for right-of-use assets	-	(5,529)
Increase in long-term prepayments	(11,259)	(8,531)
Cash dividends received	<u>81,588</u>	<u>109,571</u>
Net cash used in investing activities	<u>1,425,671</u>	<u>855,131</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	85,694	-
Increase in long-term borrowings	300,230	-
Increase in guarantee deposits	10,411	4,389
Repayment of the principal portion of lease liabilities	(20,177)	(15,652)
Proceeds from exercise of employee share options	110,746	57,302
Treasury shares acquired	(239,746)	-
Partial disposal of interests in subsidiary without a loss of control	<u>-</u>	<u>22,488</u>
Net cash used in financing activities	<u>247,158</u>	<u>68,527</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>764,077</u>	<u>(21,343)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,777,101	1,776,636
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>12,694,412</u>	<u>14,943,680</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 15,471,513</u>	<u>\$ 16,720,316</u>

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

(Concluded)

SILERGY CORP.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Silergy Corp. (“Silergy”) was incorporated as a limited company under the Company Act of the Cayman Islands on February 7, 2008. Silergy Corp. and its subsidiaries (collectively, the “Group”) mainly design, develop, and sell various integrated circuit products and provide related technical services.

Silergy’s shares have been listed on the Taiwan Stock Exchange since December 2013.

The functional currency of Silergy is the U.S. dollar. However, for greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars, since Silergy’s shares are listed on the Taiwan Stock Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on May 14, 2024.

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

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
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
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 11 and Tables 5 and 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

- Liabilities held primarily for the purpose of trading;

- Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

2) Retirement benefits

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

3) Income tax expense

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

4) Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements of material accounting judgments and key sources of estimation uncertainty for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 215	\$ 234	\$ 250
Checking accounts and demand deposits	6,360,566	9,851,538	8,388,714
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	<u>9,110,732</u>	<u>2,842,640</u>	<u>8,331,352</u>
	<u>\$ 15,471,513</u>	<u>\$ 12,694,412</u>	<u>\$ 16,720,316</u>

Interest rate ranges for bank deposits on the balance sheet date were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Deposits	0.00%-5.25%	0.00%-5.40%	0.00%-5.05%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets - non-current</u>			
Non-derivative financial assets			
Unlisted limited partnerships (a)			
Shenzhen Anchuang Technology Equity Investment Partnership (Limited Partnership) (“Anchuang”)	\$ 27,061	\$ 26,011	\$ 26,587
Ningbo Meishan Bonded Port Area Anchuang Growth Equity Investment Partnership L.P. (“Ningbo Anchuang”)	78,929	75,866	77,546
Zhenjiang Puhe Equity Investment Fund Partnership (Limited Partnership) (“Puhe”)	45,102	43,352	44,312
Hefei Kangtong Equity Investment Partnership (Limited Partnership) (“Kangtong”)	-	28,427	166,626
Alphatecture Venture Fund Limited Partnership (“Alphatecture”)	248,974	238,898	217,452
Yiwu Huaxin Yuanjing Venture Investment Center L.P. (“Huaxin”)	135,306	130,056	132,936
Hangzhou Xinling Enterprise Management Partnership L.P. (“Xinling”)	141,331	135,847	138,856
Hefei Walden II IC Industry Investment Partnership L.P. (“Walden”)	637,485	612,749	626,319
Shenzhen Juyuan Xinchuang Capital Fund, LLP (“Juyuan Xinchuang”)	270,613	260,113	265,873
Guangzhou Huaxin Shengjing Venture Capital Center (Limited Partnership) (“Guangzhou Huaxin”)	94,715	91,039	93,055
Xiamen Jianda Guili Equity Partners LLP (“Guili”)	157,858	151,732	155,093
Hangzhou Xinruiwei Equity Investment Partnership (Limited Partnership) (“Xinruiwei”)	-	-	-
Hangzhou Huaxin Yunkai Equity Investment Partnership (Limited Partnership) (“Yunkai”)	135,306	130,056	66,468
Suzhou Juyuan Zhenxin Capital Fund, LLP. (“Juyuan Zhenxin”)	315,715	303,465	177,249
Hangzhou Zhitong Enterprise Management Partnership L.P. (“Zhitong”)	157,858	151,732	155,093

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Hangzhou Haibang Shurui Equity Investment Partnership Enterprise (Limited Partnership) (“Haibang”)	\$ 31,572	\$ 30,347	\$ -
Wuxi Huaxin Semiconductor Partnership (L.P.) (“Wuxi Huaxin”)	-	-	-
Unlisted companies			
Hangzhou Hualan Microelectronic Co., Ltd. (“Hualan”)	38,963	45,981	74,660
Calterah Semiconductor Technology (Shanghai) Co., Ltd. (“Calterah”)	95,168	147,406	145,430
Powerland Technology Inc. (“Powerland”)	383,405	349,087	162,164
Shanghai Geometrical Perception and Learning Co., Ltd. (“Geometrical”)	78,776	80,038	84,949
Zhejiang Sentronic Semiconductor Co., Ltd. (“Sentronic”)	186,683	192,197	279,290
Hangzhou Einno Semiconductor Co., Ltd. (“Einno”)	52,221	49,737	48,202
Chengdu Analog Circuit Technology Inc. (ACTT)	259,219	227,510	139,349
Fujian Baicheng New Energy Technology Co., Ltd. (“Baicheng”)	90,642	90,468	138,360
AIStorm, Inc. (“AIStorm”)	17,174	23,830	26,641
Enovate3D (Hangzhou) Technology Co., Ltd. (“Enovate3D”)	147,167	157,648	163,299
Zhejiang Hexin Semiconductor Co., Ltd. (“Hexin”)	209,027	208,174	231,186
Hangzhou Xight Semi-conductor Technology Co., Ltd. (“Xight”)	11,728	15,677	16,709
Sichuan ZILLNK Technology Co., Ltd (“ZILLNK”)	<u>132,045</u>	<u>125,337</u>	<u>130,553</u>
	<u>\$ 4,180,043</u>	<u>\$ 4,122,780</u>	<u>\$ 3,984,257</u>
			(Concluded)

- a. Partnership affairs are performed by the general partner, and the Group is a limited partner who only has the right to share profit and does not have the ability to influence the relevant activities, so it does not have significant influence over the unlisted limited partnerships.
- b. In April 2020, Hangzhou Silergy signed an investment agreement with Sentronic to subscribe capital for RMB39,744 thousand. In November 2020, Hangzhou Silergy subscribed another capital for RMB31,350 thousand. As of March 31, 2024, Hangzhou Silergy had paid RMB71,094 thousand, and the paid capital contribution accounted for 23.169% of the paid-in capital. Pursuant to the articles of incorporation of Sentronic, the voting rights were determined on the basis of a percentage of capital commitment. Hangzhou Silergy had a capital commitment of 18.611% in Sentronic, and thus Hangzhou Silergy does not have significant influence over Sentronic.

8. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 4,061,115</u>	<u>\$ 5,728,588</u>	<u>\$ 1,329,365</u>
Interest rate range	2.80%	2.80%-5.52%	3.20%

9. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 1,991,077	\$ 1,785,580	\$ 1,434,263
Less: Allowance for impairment loss	<u>(769)</u>	<u>(641)</u>	<u>(22,861)</u>
	<u>\$ 1,990,308</u>	<u>\$ 1,784,939</u>	<u>\$ 1,411,402</u>
<u>Other receivables</u>			
Interest receivables	\$ 80,530	\$ 110,945	\$ 56,919
Rent receivables	9,823	10,110	3,645
Tax refund receivable-tax expense	2,908	2,699	-
Discount receivable	-	337,526	-
Share receivables	-	19,509	19,940
Others	<u>59,573</u>	<u>49,303</u>	<u>34,375</u>
	<u>\$ 152,834</u>	<u>\$ 530,092</u>	<u>\$ 114,879</u>

Accounts Receivable

The average credit period of sales of goods is 30-90 days. Due to the short average credit period of sales of goods, no interest was charged on trade receivables.

In order to minimize credit risk, the management of the Group 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 Group 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 Group's credit risk was significantly reduced.

The Group applies lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated with reference to the past default records of the debtor and an analysis of the debtor's current financial position and general economic conditions of the industry in which the debtors operate. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The following table details the loss allowance of accounts receivable:

March 31, 2024

	Not Past Due	1 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Gross carrying amount	\$ 1,823,445	\$ 167,338	\$ -	\$ 294	\$ -	\$ 1,991,077
Loss allowance (Lifetime ECLs)	<u>(390)</u>	<u>(379)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(769)</u>
Amortized cost	<u>\$ 1,823,055</u>	<u>\$ 166,959</u>	<u>\$ -</u>	<u>\$ 294</u>	<u>\$ -</u>	<u>\$ 1,990,308</u>

December 31, 2023

	Not Past Due	1 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Gross carrying amount	\$ 1,635,038	\$ 145,997	\$ 4,545	\$ -	\$ -	\$ 1,785,580
Loss allowance (Lifetime ECLs)	<u>(480)</u>	<u>(149)</u>	<u>(12)</u>	<u>-</u>	<u>-</u>	<u>(641)</u>
Amortized cost	<u>\$ 1,634,558</u>	<u>\$ 145,848</u>	<u>\$ 4,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,784,939</u>

March 31, 2023

	Not Past Due	1 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Gross carrying amount	\$ 1,139,133	\$ 289,641	\$ 2	\$ 5,487	\$ -	\$ 1,434,263
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(20,145)</u>	<u>-</u>	<u>(2,716)</u>	<u>-</u>	<u>(22,861)</u>
Amortized cost	<u>\$ 1,139,133</u>	<u>\$ 269,496</u>	<u>\$ 2</u>	<u>\$ 2,771</u>	<u>\$ -</u>	<u>\$ 1,411,402</u>

The movements of the loss allowance of accounts receivable were as follows:

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ 641	\$ 4,846
Impairment loss recognized on receivables	101	18,076
Foreign exchange gains and losses	<u>27</u>	<u>(61)</u>
Balance at March 31	<u>\$ 769</u>	<u>\$ 22,861</u>

10. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Finished goods	\$ 566,235	\$ 764,065	\$ 1,524,985
Work in progress	907,979	810,880	1,142,798
Raw materials	<u>458,902</u>	<u>242,225</u>	<u>1,969,859</u>
	<u>\$ 1,933,116</u>	<u>\$ 1,817,170</u>	<u>\$ 4,637,642</u>

For the three months ended March 31, 2024 and 2023, the cost of goods sold was \$1,850,117 thousand and \$1,904,754 thousand, respectively. For the three months ended March 31, 2024 and 2023, the cost of goods sold included inventory write-downs of \$67,251 thousand and \$168,321 thousand, respectively.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			March 31, 2024	December 31, 2023	March 31, 2023	
Silergy Corp. ("Silergy")	Silergy Technology ("TECH")	Development, design and sales of power management ICs	100.00%	100.00%	100.00%	-
	Silergy Semiconductor Technology (Hangzhou) Co., Ltd ("Hangzhou Silergy")	Development, design and sales of electronic components, and related technical services	100.00%	100.00%	100.00%	-
	Silergy Semiconductor (Samoa) Limited ("Silergy Samoa")	Holding company	100.00%	100.00%	100.00%	-
	Silergy Semiconductor (Hong Kong) Limited ("HK Silergy")	Holding company	100.00%	100.00%	100.00%	1)
	Silicon Prospect Investment Limited ("Silicon Prospect")	Holding company	100.00%	100.00%	100.00%	-
Hangzhou Silergy	Nanjing Silergy Micro Technology Co., Ltd. ("Nanjing Silergy Micro")	Development, design and sales of electronic components	63.83%	63.83%	63.83%	2)
	Xian Silergy Semiconductor Technology Co., Ltd. ("Xian Silergy")	Development, design and sales of electronic components	100.00%	100.00%	100.00%	-
	Chengdu Silergy Semiconductor Technology Co., Ltd. ("Chengdu Silergy")	Development and design of electronic components	100.00%	100.00%	100.00%	-
	Shanghai Silergy Semiconductor Technology Co., Ltd. ("Shanghai Silergy")	Development and design of electronic components	49.00%	49.00%	49.00%	3)
	Hefei Silergy Semiconductor Technology Co., Ltd. ("Hefei Silergy")	Development, design and sales of electronic components	100.00%	100.00%	100.00%	4)
	Hangzhou Silergy Test Technology Co., Ltd. ("Hangzhou Silergy")	Testing of electronic components, integrated circuits, semiconductors and electronic products	100.00%	100.00%	100.00%	5)
	Xiamen Silergy Semiconductor Technology Co., Ltd. ("Xiamen Silergy")	Development and design sales of electronic components	100.00%	100.00%	-	6)
Silergy Samoa	Silergy Technology (Taiwan) Inc. ("Taiwan Silergy")	Development, design and sales of electronic components	100.00%	100.00%	100.00%	-
	Silergy Technologies Private Limited ("India")	Development, design and sales of electronic components	100.00%	100.00%	100.00%	-
	Silergy Korea Limited ("Korea")	Development, design and sales of electronic components	100.00%	100.00%	100.00%	-
Hong Kong Silergy	Silergy Semiconductor (Macau) Limited ("Macau Silergy")	Development and design and sales of electronic components	100.00%	100.00%	100.00%	-
Nanjing Silergy Micro	Shanghai Silergy Microelectronics Technology Co., Ltd. ("Shanghai Silergy Micro")	Development and design of electronic components	100.00%	100.00%	100.00%	-
	Nanjing Silergy Micro (HK) Co., Limited ("Nanjing Silergy (HK)")	Development, design and sales of electronic components	100.00%	100.00%	100.00%	-
	Guangdong Silergy Micro Technology Co., Ltd ("Guangdong Silergy Micro")	Development, design and sales of electronic components	100.00%	100.00%	-	7)

Remarks:

- 1) Silergy injected capital into HK Silergy at US\$500 thousand in January 2024.
 - 2) In October 2022, the Group's board of directors resolved to implement a cash capital increase. As of March 31, 2024, the uncollected capital increase by cash premium, which amounted to RMB42,500 thousand, was recorded as long-term receivables.
 - 3) On January 11, 2023, Hangzhou Silergy disposed of 51% of the equity for RMB5,100 thousand. After the disposal, Hangzhou Silergy's proportion of ownership decreased from 100% to 49%. Pursuant to the articles of incorporation of Shanghai Silergy, the Group determined that it still has control over Shanghai Silergy and, consequently, classified Shanghai Silergy as a subsidiary.
 - 4) In May 2023, Hangzhou Silergy had remitted RMB20,000 thousand.
 - 5) In June 2023, Hangzhou Silergy had remitted RMB50,000 thousand.
 - 6) In May 2023, Hangzhou Silergy set up Xiamen Silergy. In May 2023, July 2023 and September 2023, Hangzhou Silergy had remitted RMB1,000 thousand, RMB4,000 thousand and RMB5,000 thousand, respectively.
 - 7) In August 2023, Nanjing Silergy set up Guangdong Silergy Micro.
- b. Subsidiaries excluded from the consolidated financial statements: None.
- c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	March 31, 2024	December 31, 2023	March 31, 2022
Nanjing Silergy Micro	36.17%	36.17%	36.17%

Refer to Table 6 for information on the places of incorporation and principal places of business.

Name of Subsidiary	Loss Allocated to Non-controlling Interests		Accumulated Non-controlling Interests		
	For the Three Months Ended March 31		March 31, 2024	December 31, 2023	March 31, 2023
	2024	2023			
Nanjing Silergy Micro	\$ (4,850)	\$ (42,749)	\$ 648,716	\$ 622,573	\$ 697,779

The summarized financial information below represents amounts before intragroup eliminations.

Nanjing Silergy Micro and subsidiaries

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 1,122,401	\$ 1,014,001	\$ 1,301,587
Non-current assets	1,602,524	1,365,806	1,037,320
Current liabilities	(887,995)	(604,855)	(383,579)
Non-current liabilities	<u>(43,402)</u>	<u>(53,703)</u>	<u>(26,153)</u>
Equity	<u>\$ 1,793,528</u>	<u>\$ 1,721,249</u>	<u>\$ 1,929,175</u>
Equity attributable to:			
Owners of Nanjing Silergy Micro	\$ 1,144,812	\$ 1,098,676	\$ 1,231,396
Non-controlling interests of Nanjing Silergy Micro	<u>648,716</u>	<u>622,573</u>	<u>697,779</u>
	<u>\$ 1,793,528</u>	<u>\$ 1,721,249</u>	<u>\$ 1,929,175</u>

**For the Three Months Ended
March 31**

	2024	2023
Revenue	<u>\$ 539,061</u>	<u>\$ 464,083</u>
Profit/total comprehensive income for the period	<u>\$ (13,410)</u>	<u>\$ (118,188)</u>
Profit/total comprehensive income attributable to:		
Owners of Nanjing Silergy Micro	\$ (8,560)	\$ (75,439)
Non-controlling interests of Nanjing Silergy Micro	<u>(4,850)</u>	<u>(42,749)</u>
	<u>\$ (13,410)</u>	<u>\$ (118,188)</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 258,433	\$ 10,498
Investing activities	(176,769)	(10,840)
Financing activities	<u>68,501</u>	<u>133</u>
Net cash inflow (outflow)	<u>\$ 150,165</u>	<u>\$ (209)</u>

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Investments in associates</u>			
Material associates			
Hefei SMAT Technology Co., Ltd. (“SMAT”)	\$ 407,734	\$ 407,298	\$ 453,038
Winsheng Material Technology Co., Ltd. (“WMT”)	199,352	215,044	248,606
Associates that are not individually material			
Wuxin (Shanghai) Semiconductor Technology Co., Ltd. (“Shanghai Wuxin”)	150,931	147,257	-
Zhuhai Hengqin Accu-Rate Technology Co., Ltd. (“Accu-Rate”)	131,334	129,158	139,481
JT Microelectronics (Shenzhen) Co., Ltd. (“JT”)	<u>50,205</u>	<u>42,418</u>	<u>50,998</u>
	<u>\$ 939,556</u>	<u>\$ 941,175</u>	<u>\$ 892,123</u>

a. Material associates

Company Name	Nature of Activities	Principal Places of Business	Proportion of Ownership and Voting Rights		
			March 31, 2024	December 31, 2023	March 31, 2023
Unlisted Companies					
Hefei SMAT Technology Co., Ltd. (“SMAT”)	Developing and manufacturing vehicles and IOT	China	38.29%	38.29%	38.29%
Winsheng Material Technology Co., Ltd. (“WMT”)	Manufacturing and selling electronic components	Taiwan	44.46%	44.46%	45.08%

The summarized financial information below represents amounts shown in the associates’ financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

SMAT

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 389,369	\$ 354,365	\$ 343,333
Non-current assets	1,323,213	1,345,918	1,604,312
Current liabilities	(540,458)	(519,571)	(450,693)
Non-current liabilities	<u>(27,687)</u>	<u>(29,568)</u>	<u>(190,889)</u>
Equity	<u>\$ 1,144,437</u>	<u>\$ 1,151,144</u>	<u>\$ 1,306,063</u>
Proportion of the Group’s ownership	<u>38.29%</u>	<u>38.29%</u>	<u>38.29%</u>

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Equity attributable to the Group	\$ 438,231	\$ 440,799	\$ 500,122
Unrealized gain on disposal of intangible assets	<u>(30,497)</u>	<u>(33,501)</u>	<u>(47,084)</u>
Carrying amount	<u>\$ 407,734</u>	<u>\$ 407,298</u>	<u>\$ 453,038</u> (Concluded)

	For the Three Months Ended March 31	
	2024	2023
Operating revenue	<u>\$ 153,403</u>	<u>\$ 101,182</u>
Net loss for the period	<u>\$ (52,200)</u>	<u>\$ (90,315)</u>

WMT

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 228,707	\$ 247,135	\$ 362,258
Non-current assets	197,261	213,958	167,471
Current liabilities	(20,665)	(26,572)	(14,021)
Non-current liabilities	<u>(10,027)</u>	<u>(2,476)</u>	<u>(16,704)</u>
Equity	<u>\$ 395,276</u>	<u>\$ 432,045</u>	<u>\$ 499,004</u>
Proportion of the Group's ownership	<u>44.46%</u>	<u>44.46%</u>	<u>45.08%</u>
Equity attributable to the Group	\$ 175,752	\$ 192,101	\$ 224,966
Goodwill	16,452	15,786	15,655
Other intangible assets	<u>7,148</u>	<u>7,157</u>	<u>7,985</u>
Carrying amount	<u>\$ 199,352</u>	<u>\$ 215,044</u>	<u>\$ 248,606</u>

	For the Three Months Ended March 31	
	2024	2023
Operating revenue	<u>\$ 3,816</u>	<u>\$ 5,749</u>
Net loss for the period	<u>\$ (34,143)</u>	<u>\$ (28,238)</u>

b. Associates that are not individually material

In 2023, Hangzhou Silergy subscribed for 35% of the equity of Wuxin (Shanghai) using machinery and equipment worth RMB32,500 thousand and the cash for RMB2,500 thousand.

Refer to Tables 5 and 6 for the nature of activities, principal places of business and countries of incorporation of the associates.

Investments accounted for using the equity method and the share of profit or loss and other comprehensive income or loss of those investments were calculated based on the associates' review of financial statements for the same period as the Group.

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Office Equipment	Leasehold Improvements	Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2024	\$ 1,202,752	\$ 1,398,785	\$ 269,767	\$ 51,773	\$ 622,354	\$ 3,545,431
Additions	1,338	10,604	9,732	7,450	394,882	424,006
Disposals	-	(64)	(1,883)	-	-	(1,947)
Reclassification	34,018	-	-	1,525	-	35,543
Effect of foreign currency exchange differences	46,956	55,128	9,477	1,420	32,509	145,490
Balance at March 31, 2024	<u>\$ 1,285,064</u>	<u>\$ 1,464,453</u>	<u>\$ 287,093</u>	<u>\$ 62,168</u>	<u>\$ 1,049,745</u>	<u>\$ 4,148,523</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2024	\$ 149,943	\$ 841,551	\$ 174,642	\$ 29,077	\$ -	\$ 1,195,213
Depreciation expense	8,927	73,418	13,241	2,335	-	97,921
Disposals	-	(65)	(1,815)	-	-	(1,880)
Reclassification	2,485	-	-	-	-	2,485
Effect of foreign currency exchange differences	6,101	33,800	6,147	711	-	46,759
Balance at March 31, 2024	<u>\$ 167,456</u>	<u>\$ 948,704</u>	<u>\$ 192,215</u>	<u>\$ 32,123</u>	<u>\$ -</u>	<u>\$ 1,340,498</u>
Carrying amount at March 31, 2024	<u>\$ 1,117,608</u>	<u>\$ 515,749</u>	<u>\$ 94,878</u>	<u>\$ 30,045</u>	<u>\$ 1,049,745</u>	<u>\$ 2,808,025</u>
<u>Cost</u>						
Balance at January 1, 2023	\$ 1,141,017	\$ 1,294,805	\$ 217,956	\$ 35,109	\$ 19,053	\$ 2,707,940
Additions	11,477	11,038	8,855	2,104	9,351	42,789
Disposals	-	(258)	-	-	-	(258)
Reclassification	27,598	26,263	566	-	(14,586)	39,841
Effect of foreign currency exchange differences	5,259	5,140	325	23	108	10,855
Balance at March 31, 2023	<u>\$ 1,185,351</u>	<u>\$ 1,336,988</u>	<u>\$ 227,702</u>	<u>\$ 37,236</u>	<u>\$ 13,890</u>	<u>\$ 2,801,167</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2023	\$ 112,725	\$ 577,294	\$ 132,555	\$ 22,753	\$ -	\$ 845,327
Depreciation expense	8,375	78,670	10,227	1,531	-	98,803
Disposals	-	(258)	-	-	-	(258)
Reclassification	2,957	-	-	-	-	2,957
Effect of foreign currency exchange differences	515	2,003	171	(20)	-	2,669
Balance at March 31, 2023	<u>\$ 124,572</u>	<u>\$ 657,709</u>	<u>\$ 142,953</u>	<u>\$ 24,264</u>	<u>\$ -</u>	<u>\$ 949,498</u>
Carrying amount at March 31, 2023	<u>\$ 1,060,779</u>	<u>\$ 679,279</u>	<u>\$ 84,749</u>	<u>\$ 12,972</u>	<u>\$ 13,890</u>	<u>\$ 1,851,669</u>

As of March 31, 2024, transfer of property rights of the buildings in Chengdu had not been completed due to local laws and regulations. The carrying amount of the buildings is RMB12,411 thousand. However, according to the agreement, relevant property rights of the Group are protected by law.

No impairment assessment was performed for the three months ended March 31, 2024 and 2023 as there was no indication of impairment.

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

Buildings	35-50 years
Machinery and equipment	3-10 years
Office equipment	2-10 years
Leasehold improvements	2-5 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amount</u>			
Land	\$ 586,818	\$ 565,907	\$ 525,628
Buildings	260,625	271,852	89,379
Machinery and equipment	<u>-</u>	<u>-</u>	<u>137</u>
	<u>\$ 847,443</u>	<u>\$ 837,759</u>	<u>\$ 615,144</u>
		For the Three Months Ended March 31	
		2024	2023
Additions to right-of-use assets		<u>\$ 4,067</u>	<u>\$ 8,999</u>
Depreciation charge for right-of-use assets			
Land		\$ 2,978	\$ 2,673
Buildings		24,852	14,759
Machinery and equipment		<u>-</u>	<u>825</u>
		<u>\$ 27,830</u>	<u>\$ 18,257</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant impairment of right-of-use assets during the three months ended March 31, 2024 and 2023.

The Group built their headquarters on leasehold land located in Hangzhou and plans to sublease part of the office space under operating leases. The related land use rights are presented as investment properties as set out in Note 15. The amounts disclosed above related to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amount</u>			
Current	<u>\$ 88,968</u>	<u>\$ 84,538</u>	<u>\$ 46,909</u>
Non-current	<u>\$ 195,327</u>	<u>\$ 205,476</u>	<u>\$ 44,666</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Buildings	1.81%-5.41%	1.81%-5.41%	1.81%-4.45%
Machinery and equipment	-	1.88%	1.88%

c. Material lease activities and terms

The Group also leases machinery and equipment for the use of research and development with lease terms of 1 years. The Group does not have purchase options for lease arrangements at the end of the lease terms.

The Group also leases land and buildings for the plants and offices with lease terms of 1 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases	<u>\$ 16,403</u>	<u>\$ 9,680</u>
Total cash outflow for leases	<u>\$ (37,447)</u>	<u>\$ (25,793)</u>

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

15. INVESTMENT PROPERTIES

	Buildings	Right-of-use Assets	Total
<u>Cost</u>			
Balance at January 1, 2024	\$ 575,580	\$ 16,093	\$ 591,673
Reclassification to property, plant and equipment	(34,018)	-	(34,018)
Reclassification to right-of-use assets	-	(1,199)	(1,199)
Effects of foreign currency exchange differences	<u>22,599</u>	<u>627</u>	<u>23,226</u>
Balance at March 31, 2024	<u>\$ 564,161</u>	<u>\$ 15,521</u>	<u>\$ 579,682</u>

(Continued)

	Buildings	Right-of-use Assets	Total
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2024	\$ 52,394	\$ 1,575	\$ 53,969
Depreciation expense	3,041	84	3,125
Reclassification to property, plant and equipment	(2,485)	-	(2,485)
Reclassification to right-of-use assets	-	(119)	(119)
Effects of foreign currency exchange differences	<u>2,126</u>	<u>63</u>	<u>2,189</u>
Balance at March 31, 2024	<u>\$ 55,076</u>	<u>\$ 1,603</u>	<u>\$ 56,679</u>
Carrying amount at March 31, 2024	<u>\$ 509,085</u>	<u>\$ 13,918</u>	<u>\$ 523,003</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 633,720	\$ 17,563	\$ 651,283
Reclassification to property, plant and equipment	(11,156)	-	(11,156)
Effects of foreign currency exchange differences	<u>3,159</u>	<u>86</u>	<u>3,245</u>
Balance at March 31, 2023	<u>\$ 625,723</u>	<u>\$ 17,649</u>	<u>\$ 643,372</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ 45,964	\$ 1,337	\$ 47,301
Depreciation expense	3,364	96	3,460
Reclassification to property, plant and equipment	(2,957)	-	(2,957)
Effects of foreign currency exchange differences	<u>226</u>	<u>6</u>	<u>232</u>
Balance at March 31, 2023	<u>\$ 46,597</u>	<u>\$ 1,439</u>	<u>\$ 48,036</u>
Carrying amount at March 31, 2023	<u>\$ 579,126</u>	<u>\$ 16,210</u>	<u>\$ 595,336</u>

(Concluded)

Right-of-use assets included in investment properties refer to land located in Hangzhou, which the Group leased to build their headquarters, and planned to sublease part of their office space to others under operating leases.

Management was unable to reliably measure the fair value of investment properties located in Hangzhou and Xi'an, because the market for comparable properties in those areas is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair values of the investment properties are not reliably measurable.

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings	35-46 years
Right-of-use assets	50 years

16. GOODWILL

	For the Three Months Ended March 31	
	2024	2023
<u>Cost</u>		
Balance at January 1	\$ 2,715,629	\$ 2,722,110
Effect of foreign currency exchange differences	<u>112,690</u>	<u>(17,947)</u>
Balance at March 31	<u>\$ 2,828,319</u>	<u>\$ 2,704,163</u>
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ 1,308,797	\$ 1,217,669
Effect of foreign currency exchange differences	<u>53,660</u>	<u>(7,505)</u>
Balance at March 31	<u>\$ 1,362,457</u>	<u>\$ 1,210,164</u>
Carrying amount at March 31	<u>\$ 1,465,862</u>	<u>\$ 1,493,999</u>

17. OTHER INTANGIBLE ASSETS

	Computer Software	Technical Know-how	Customer Relationships	Total
<u>Cost</u>				
Balance at January 1, 2024	\$ 342,819	\$ 520,498	\$ 1,219,074	\$ 2,082,391
Additions	51,841	-	-	51,841
Effect of foreign currency exchange differences	<u>15,297</u>	<u>21,665</u>	<u>51,391</u>	<u>88,353</u>
Balance at March 31, 2024	<u>\$ 409,957</u>	<u>\$ 542,163</u>	<u>\$ 1,270,465</u>	<u>\$ 2,222,585</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 266,520	\$ 436,029	\$ 839,150	\$ 1,541,699
Amortization expenses	17,565	8,247	21,494	47,306
Effect of foreign currency exchange differences	<u>11,530</u>	<u>18,312</u>	<u>35,750</u>	<u>65,592</u>
Balance at March 31, 2024	<u>\$ 295,615</u>	<u>\$ 462,588</u>	<u>\$ 896,394</u>	<u>\$ 1,654,597</u>
Carrying amount at March 31, 2024	<u>\$ 114,342</u>	<u>\$ 79,575</u>	<u>\$ 374,071</u>	<u>\$ 567,988</u>

(Continued)

	Computer Software	Technical Know-how	Customer Relationships	Total
<u>Cost</u>				
Balance at January 1, 2023	\$ 278,107	\$ 513,177	\$ 1,219,498	\$ 2,010,782
Additions	51,627	-	-	51,627
Disposals	(278)	-	-	(278)
Reclassification	922	-	-	922
Effect of foreign currency exchange differences	<u>(1,860)</u>	<u>(2,308)</u>	<u>(10,143)</u>	<u>(14,311)</u>
Balance at March 31, 2023	<u>\$ 328,518</u>	<u>\$ 510,869</u>	<u>\$ 1,209,355</u>	<u>\$ 2,048,742</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ 208,280	\$ 404,604	\$ 732,898	\$ 1,345,782
Amortization expenses	17,167	9,290	26,374	52,831
Disposals	(278)	-	-	(278)
Effect of foreign currency exchange differences	<u>(1,550)</u>	<u>(1,880)</u>	<u>(6,029)</u>	<u>(9,459)</u>
Balance at March 31, 2023	<u>\$ 223,619</u>	<u>\$ 412,014</u>	<u>\$ 753,243</u>	<u>\$ 1,388,876</u>
Carrying amount at March 31, 2023	<u>\$ 104,899</u>	<u>\$ 98,855</u>	<u>\$ 456,112</u>	<u>\$ 659,866</u> (Concluded)

The above items of intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3-10 years
Technical know-how	6-10 years
Customer relationships	5-12 years

18. PREPAYMENTS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Prepaid expenses	\$ 375,459	\$ 100,088	\$ 191,223
Prepayments to suppliers	130,098	124,836	171,384
Offset against business tax payable	59,686	60,580	56,728
Other prepayments	<u>10,099</u>	<u>12,283</u>	<u>28,622</u>
	<u>\$ 575,342</u>	<u>\$ 297,787</u>	<u>\$ 447,957</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 27,156	\$ 17,422	\$ 21,459
Prepayments for building	<u>-</u>	<u>-</u>	<u>5,134</u>
	<u>\$ 27,156</u>	<u>\$ 17,422</u>	<u>\$ 26,593</u>

19. BORROWINGS

a. Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Unsecured borrowings</u>			
Bank loans	\$ <u>252,572</u>	\$ <u>160,403</u>	\$ <u>-</u>

The ranges of interest rate for short-term borrowings were 2.70% to 2.80% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023.

b. Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Unsecured borrowings</u>			
Bank loans	\$ <u>300,230</u>	\$ <u>-</u>	\$ <u>-</u>

The Group has signed long-term revolving credit facilities with banks for the construction of factories as of March 31, 2024. The ranges of interest rates were 2.95% to 3.20% per annum as of March 31, 2024, and the last repayment date of the contract is January 5, 2039.

20. OTHER PAYABLES AND LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Other payables			
Payables for dividends	\$ 751,330	\$ 3,593	\$ 1,725,274
Payables for salaries and bonuses	869,406	749,950	910,022
Payables for equipment	32,082	7,051	29,303
Payables for remuneration of directors	16,191	14,286	15,000
Payables for mask fees	2,445	2,643	9,646
Payables for property tax	2,754	8,737	2,466
Payables for contingent consideration*	41,705	40,017	41,065
Payables for business tax	493	2,525	-
Others	<u>184,309</u>	<u>228,086</u>	<u>217,980</u>
	<u>\$ 1,900,715</u>	<u>\$ 1,056,888</u>	<u>\$ 2,950,756</u>
Other liabilities			
Contract liabilities	\$ 20,359	\$ 21,927	\$ 11,558
Others	<u>15,778</u>	<u>21,054</u>	<u>15,085</u>
	<u>\$ 36,137</u>	<u>\$ 42,981</u>	<u>\$ 26,643</u>

- * In July 2019, the Group acquired a division of NewEdge Technologies, Inc. According to the contract, if the sales of certain products reach a certain amount during the contract period, the Group has to pay a certain amount of contingent consideration; after settlement, the amount was US\$1,303 thousand. However, the counterparty disagreed with the definition of specific items and filed an arbitration with the Shanghai International Economic and Trade Arbitration Commission in October 2023, which was still in progress as of the financial statements authorized for issue. The Company assessed that the outcome of the arbitration would not have a material impact on the related amount.

21. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2024 and 2023, the pension expenses related to the defined benefit plan were calculated using the actuarially determined pension cost rate as of December 31, 2023 and 2022, which amounted to a loss of \$193 thousand and \$150 thousand, respectively.

22. EQUITY

a. Ordinary shares

	March 31, 2024	December 31, 2023	March 31, 2023
Number of shares authorized (in thousands)	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
Shares authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>384,963</u>	<u>384,199</u>	<u>382,040</u>
Shares issued	<u>\$ 962,408</u>	<u>\$ 960,498</u>	<u>\$ 995,101</u>

The changes in the Company's share stock were due to the employees' exercise of their employee share options and the issuance of restricted shares to employees.

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	\$ 6,916,425	\$ 6,807,589	\$ 6,548,720
Employee share options	713,881	676,145	587,233
Employee restricted shares	1,544,838	1,544,838	1,309,463
<u>May be used to offset a deficit only</u>			
Share of changes in capital surplus of associates	37,616	31,310	29,227
Change in percentage of ownership interest in subsidiaries (2)	61,101	66,847	72,790

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
<u>May not be used for any purpose</u>			
Employee share options	\$ 2,928,585	\$ 2,699,046	\$ 2,002,983
Employee restricted shares	<u>581,807</u>	<u>581,807</u>	<u>770,110</u>
	<u>\$ 12,784,253</u>	<u>\$ 12,407,582</u>	<u>\$ 11,320,526</u> (Concluded)

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

Under the Company's dividend policy in the Articles, where the Company made 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, 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. In the case of dividends to be paid in cash, the Company's board of directors shall report such distribution in the next annual shareholders' general meeting, after the Company's board of directors approves the distribution of dividends in cash. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors, refer to Note 24(g) on employee benefits expense.

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

The appropriations of earnings for 2023 and 2022 were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
(Reversal of) special reserve	\$ 383,665	\$ (1,248,912)	\$ -	\$ -
Cash dividends	751,316	1,710,741	1.96	4.50

The above appropriations for cash dividends were resolved by the Company's board of directors on March 12, 2024 and March 9, 2023, respectively, and the chairman was authorized to distribute the amount. The Group adjusted the distribution ratio with the weighted average number of actual outstanding shares by the base date of cash dividends; the other proposed appropriations were proposed by the board of directors in their meeting on March 12, 2024, and will be submitted to the shareholders in their meeting to be held on May 30, 2024 for approval. The other proposed appropriations for 2022 were resolved by the shareholders in their meeting on May 26, 2023.

In 2023, the actual cash dividends per share distributed was adjusted to NT\$1.96011904.

In 2022, the actual cash dividends per share distributed was adjusted to NT\$4.49431016.

d. Treasury shares (March 31, 2023: None)

**Shares
Transferred to
Employees
(In Thousands)**

Number of shares at January 1, 2024 to March 31, 2024 595

To transfer shares to employees, the Company bought back 595 thousand shares for a total of \$239,746 thousand on the Taiwan Stock Exchange from December 21, 2023 to February 20, 2024.

23. REVENUE

	For the Three Months Ended March 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 3,767,507	\$ 3,363,965
Revenue from the rendering of services	<u>74,093</u>	<u>70,699</u>
	<u>\$ 3,841,600</u>	<u>\$ 3,434,664</u>

a. Contract information

1) Revenue from the sale of goods

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

2) Revenue from the rendering of services

Revenue from the rendering of services comes from the provision of services based on contracts. The Company recognizes revenue on the basis of percentage of completion for its contracts.

b. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Accounts receivable (Note 9)	<u>\$ 1,990,308</u>	<u>\$ 1,784,939</u>	<u>\$ 1,411,402</u>	<u>\$ 1,617,688</u>
Contract liabilities				
Sale of goods	\$ 7,839	\$ 4,987	\$ 838	\$ 1,109
Operating leases	<u>12,520</u>	<u>16,940</u>	<u>10,720</u>	<u>17,326</u>
	<u>\$ 20,359</u>	<u>\$ 21,927</u>	<u>\$ 11,558</u>	<u>\$ 18,435</u>

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

24. NET PROFIT

a. Other operating income and expenses

	For the Three Months Ended March 31	
	2024	2023
Gain on disposal of intangible assets	\$ 4,276	\$ 4,291
Loss on disposal of property, plant and equipment	<u>(67)</u>	<u>-</u>
	<u>\$ 4,209</u>	<u>\$ 4,291</u>

In December 2015, SMAT was set up by Hangzhou Silergy, HK Silergy and unrelated third parties. The Group invested RMB100,000 thousand through Hangzhou Silergy and RMB73,876 thousand through HK Silergy for a patent acquisition. The fair value of the patent was determined by an independent third party. Accordingly, a gain of RMB61,361 thousand resulting from the patent-related transaction with SMAT was recognized only to the extent of the interests in this associate that were not related to the Group. To the extent of the investment related to the Group, Hangzhou Silergy recognized an unrealized gain of RMB38,639 thousand, which would be amortized over the economic life of the patent. For the three months ended March 31, 2024 and 2023, the total realized gain was \$4,276 thousand and \$4,291 thousand, respectively.

b. Other income

	For the Three Months Ended March 31	
	2024	2023
Dividend income	\$ 81,588	\$ 109,571
Rental income	26,015	28,631
Government grants	11,110	13,171
Others	<u>6,495</u>	<u>4,171</u>
	<u>\$ 125,208</u>	<u>\$ 155,544</u>

c. Interest expense

	For the Three Months Ended March 31	
	2024	2023
Interest on bank loans	\$ 1,782	\$ -
Interest on lease liabilities	867	461
Others	-	4
Less: Amounts included in the cost of qualifying assets (capitalized borrowing)	<u>(1,782)</u>	<u>-</u>
	<u>\$ 867</u>	<u>\$ 465</u>
Capitalized interest	\$ 1,782	\$ -
Capitalization rate	2.95%-3.20%	-

d. Depreciation and amortization

	For the Three Months Ended March 31	
	2024	2023
Other intangible assets	\$ 47,306	\$ 52,831
Property, plant and equipment	97,921	98,803
Right-of-use assets	27,830	18,257
Investment properties	<u>3,125</u>	<u>3,460</u>
	<u>\$ 176,182</u>	<u>\$ 173,351</u>
An analysis of depreciation by function		
Operating cost	\$ 44,279	\$ 57,086
Operating expenses	81,472	59,974
Non-operating income and expenses	<u>3,125</u>	<u>3,460</u>
	<u>\$ 128,876</u>	<u>\$ 120,520</u>
An analysis of amortization by function		
General and administrative expenses	<u>\$ 47,306</u>	<u>\$ 52,831</u>

e. Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2024	2023
Direct operating expenses from investment properties generating rental income	\$ 6,449	\$ 7,128
Direct operating expenses from investment properties not generating rental income	<u>1,192</u>	<u>1,312</u>
	<u>\$ 7,641</u>	<u>\$ 8,440</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2024	2023
Post-employment benefits (Note 21)		
Defined contribution plan	\$ 63,069	\$ 48,980
Defined benefit plans	<u>193</u>	<u>150</u>
	<u>63,262</u>	<u>49,130</u>
Share-based payments		
Equity-settled	<u>294,450</u>	<u>380,982</u>
Short-term employee benefits		
Salary	961,666	719,548
Labor and health insurance	53,346	42,629
Others	<u>82,763</u>	<u>64,625</u>
	<u>1,097,775</u>	<u>826,802</u>
 Total employee benefits expense	 <u>\$ 1,455,487</u>	 <u>\$ 1,256,914</u>
 An analysis of employee benefits expense by function		
Operating expenses	<u>\$ 1,455,487</u>	<u>\$ 1,256,914</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at rates of 8% to 20% and no higher than 2%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The employees' compensation and remuneration of directors for the three months ended March 31, 2024 and 2023 were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2024	2023
Employees' compensation	8.00%	8.59%
Remuneration of directors	2.00%	1.24%

Amount

	For the Three Months Ended March 31	
	2024	2023
Employees' compensation	\$ 7,631	\$ 20,816
Remuneration of directors	<u>1,905</u>	<u>3,000</u>
	<u>\$ 9,536</u>	<u>\$ 23,816</u>

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

The employees' compensation and remuneration of directors for the years ended December 31, 2023 and 2022 which were approved by the Company's board of directors on March 12, 2024 and March 9, 2023, respectively, were as follows:

Amount

	<u>For the Year Ended December 31</u>	
	2023	2022
Employees' compensation	\$ 66,112	\$ 552,618
Remuneration of directors	14,286	12,000

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2022. Furthermore, the employees' compensation and remuneration of directors for the year ended December 31, 2023 has yet to be distributed.

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

25. INCOME TAX/INCOME TAX RECOGNIZED IN PROFIT OR LOSS

Income tax recognized in profit or loss

Major components of income tax (expense) benefit are as follows:

	<u>For the Three Months Ended</u>	
	<u>March 31</u>	
	2024	2023
Current tax		
In respect of the current year	\$ (43,339)	\$ (13,179)
In respect of prior years	(7,831)	-
Deferred tax		
In respect of the current year	<u>(107,886)</u>	<u>40,505</u>
Income tax (expense) benefit recognized in profit or loss	<u>\$ (159,056)</u>	<u>\$ 27,326</u>

Silergy and Silergy Samoa are exempt from business income tax in accordance with local laws and regulations.

The applicable corporate tax rate for Silergy Technology (Taiwan) Inc. in the ROC was 20%.

The applicable tax rate used by subsidiaries in China is 25%. The applicable tax rate used by the branches of Silergy in Hong Kong and Nanjing Silergy (HK) in Hong Kong is 16.5%. The tax rate applicable to Nanjing Silergy Micro decreased to 15% after approval was obtained from the local tax authorities, as tax credits are given to high-tech enterprises. Hangzhou Silergy and Xian Silergy obtained approval from the local tax authorities to have an additional tax deduction; the applicable tax rate decreased to 10% and 12.5%, respectively. Tax rates used by other entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

The tax returns of Silergy Technology (Taiwan) Inc. through 2023 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

Unit: Dollars Per Share

	For the Three Months Ended March 31	
	2024	2023
Basic earnings per share	<u>\$ 0.20</u>	<u>\$ 0.57</u>
Diluted earnings per share	<u>\$ 0.20</u>	<u>\$ 0.55</u>

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

Net Profit for the Period

	For the Three Months Ended March 31	
	2024	2023
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 78,007</u>	<u>\$ 218,377</u>

Ordinary Shares Outstanding

(In Thousands of Shares)

	For the Three Months Ended March 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	383,450	380,299
Effect of potentially dilutive ordinary shares:		
Employee share options	10,429	14,144
Restricted shares for employees	634	752
Employees' compensation	<u>153</u>	<u>756</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>394,666</u>	<u>395,951</u>

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

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan of the Group

The outstanding options granted are valid for 10 years and exercisable at certain percentages after a certain period from the grant date. Except for options currently outstanding but granted before the IPO whose exercise price needs to be separately agreed on, other options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the Taiwan Stock Exchange on the grant dates.

For any subsequent changes in Silergy's capital surplus, the exercise price or the number of shares corresponding to each option unit is adjusted in accordance with the rules for each plan. The exercise price is adjusted accordingly based on the agreed formula. If the exercise price after the adjustment is higher than before the adjustment, then it will not be adjusted. The Company passed the revision of its articles of incorporation regarding par value per share through its shareholders' meeting on May 27, 2022. According to the amendment, the par value per share changed from NT\$10 to NT\$2.5. The Company had completed the registration formalities and the reissuance of shares in July 2022. Consequently, the exercise price per share of outstanding employee share options has been adjusted to 25% of its original exercise price; and the number of each exercisable shares has been adjusted from 1 share to 4 shares.

The board of directors of Silergy agreed to issue 3,000,000 options on March 12, 2024. Each option entitles the holder to subscribe to one ordinary share of Silergy. Submission to the FSC is in pending for approval to take effect.

Information on employee share options was as follows:

Employee Share Options	2024		2023	
	Units of Options	Weighted-average Exercise Price	Units of Options	Weighted-average Exercise Price
Balance at January 1	16,933,438	\$ 790	12,398,054	\$ 942
Options granted	1,232,288	328	2,172,800	482
Options exercised	<u>(191,030)</u>	580	<u>(114,654)</u>	499
Balance at March 31	<u>17,974,696</u>	761	<u>14,456,200</u>	876
Options exercisable, at March 31	<u>4,858,130</u>	975	<u>3,934,591</u>	580
Weighted-average fair value of options granted (\$)	<u>\$ 134</u>		<u>\$ 189</u>	

For the three months ended March 31, 2024 and 2023, the weighted-average share prices at the date of exercise were NT\$391 and NT\$555, respectively.

Information about outstanding options as of the balance sheet date was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Range of exercise price	\$258-\$4,265	\$258-\$4,265	\$262-\$4,265
Weighted-average remaining contractual life (years)	1.39-9.99	1.64-9.97	2.39-9.95

Options granted for the three months ended March 31, 2024 and 2023 were priced using the binomial option pricing model and the inputs to the model were as follows:

Issue Date	Fair Value Per Option - Grant Date	Exercise Price	Expected Volatility	Expected Life	Expected Dividend Yield	Risk-free Interest
March 14, 2023	178-199	482.0	51.02%-53.66%	6 years-7.5 years	-	1.093%-1.120%
June 16, 2023	132-147	355.0	51.15%-53.94%	6 years-7.5 years	-	1.123%-1.143%
August 24, 2023	100-110	258.0	51.25%-53.34%	6.5 years-7.5 years	-	1.142%-1.162%
November 14, 2023	135-145	354.5	51.72%-55.48%	6 years-7.5 years	-	1.250%-1.265%
December 20, 2023	173-183	431.5	51.75%-55.88%	6 years-7.5 years	-	1.199%-1.205%
March 29, 2024	131-142	328.0	52.23%-56.70%	6 years-7.5 years	-	1.388%-1.415%

The compensation cost recognized was \$267,275 thousand and \$277,740 thousand for the three months ended March 31, 2024 and 2023, respectively.

b. Restricted shares for employees

The restrictions on the rights of the outstanding restricted shares for the three months ended March 31, 2024 and 2023 that have not met the vesting conditions are as follows:

- 1) The employees should not sell, pledge, transfer, donate or in any other way dispose of these shares.
- 2) The employees holding these shares are entitled to receive share dividends but not cash dividends, and they are not entitled to subscribe to new ordinary shares issued for cash.
- 3) The employees holding these shares have no voting rights.

If an employee fails to meet the vesting conditions, Silergy will recall and cancel the restricted shares without any reimbursement.

On March 12, 2024, the Company's board of directors has proposed the issuance of 500,000 shares under a restricted share plan, which will be resolved by the shareholders in their meeting to be held on May 30, 2024.

Information on the restricted shares for employees is as follows:

Restricted Shares for Employees	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	1,067,175	1,467,631
Shares issued	-	21,876
Shares vested	-	(95,076)
Balance at March 31	<u>1,067,175</u>	<u>1,394,431</u>

For the three months ended March 31, 2024 and 2023, information on the outstanding restricted employee shares is as follows:

Grant Date	Fair Value Per Share - Grant Date	Shares Granted (In Thousands of Shares)	Vesting Period
March 14, 2023	482	22	1 year
June 16, 2023	355	134	1 year-3 years

The compensation cost recognized was \$27,175 thousand and \$103,242 thousand for the three months ended March 31, 2024 and 2023, respectively.

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group's capital structure management strategy is based on (a) its scale of operations and expected growth and product development - an appropriate market share target is determined, and the capital expenditures required to meet this target are estimated; (b) industry developments - the Group calculates the required working capital under an overall plan for long-term asset development; and (c) the Group's competitiveness - estimates are made of marginal contribution, operating profit rate and cash flows of possible products, taking into consideration the risk factors of industrial cyclical fluctuations and product life cycles to determine the Group's appropriate capital structure.

Management regularly reviews the Group's capital structure and considers the costs and risks of different capital structures. In general, the Group has a prudent risk management strategy.

29. FINANCIAL INSTRUMENTS

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

Management believed the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

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

1) Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Equity instruments	\$ _____ -	\$ _____ -	\$ 4,180,043	\$ 4,180,043

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Equity instruments	\$ _____ -	\$ _____ -	\$ 4,122,780	\$ 4,122,780

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Equity instruments	\$ <u> -</u>	\$ <u> -</u>	\$ <u>3,984,257</u>	\$ <u>3,984,257</u>

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

For the year ended March 31, 2024

Financial Assets (Liabilities)	Financial Assets at FVTPL	Financial Liabilities at FVTPL	Total
	Equity Instruments	Contingent Consideration	
Balance at January 1, 2024	\$ 4,122,780	\$ -	\$ 4,122,780
Recognized in profit or loss	(107,639)	-	(107,639)
Reclassification	-	-	-
Current year additions	-	-	-
Translation adjustments	<u>164,902</u>	<u>-</u>	<u>164,902</u>
Balance at March 31, 2024	<u>\$ 4,180,043</u>	<u>\$ -</u>	<u>\$ 4,180,043</u>

For the year ended March 31, 2023

Financial Assets (Liabilities)	Financial Assets at FVTPL	Financial Liabilities at FVTPL	Total
	Equity Instruments	Contingent Consideration	
Balance at January 1, 2023	\$ 3,729,859	\$ (16,858)	\$ 3,713,001
Recognized in profit or loss	149,758	-	149,758
Reclassification	-	16,858	16,858
Current year additions	89,418	-	89,428
Translation adjustments	<u>15,222</u>	<u>-</u>	<u>15,212</u>
Balance at March 31, 2023	<u>\$ 3,984,257</u>	<u>\$ -</u>	<u>\$ 3,984,257</u>

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

a) Equity instrument investments

Equity instrument investments are unlisted company shares with no active market. Fair values are estimated mainly using the asset-based approach and market approach, which is estimated with reference to the net asset value and Company's recent financing activities, valuation of similar companies, market conditions and other economic indicators, etc.

b) Contingent consideration

Contingent consideration is calculated based on the expected revenue of NewEdge with agreed formula.

c. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at FVTPL			
Equity instruments	\$ 4,180,043	\$ 4,122,780	\$ 3,984,257
Assets measured at amortized cost (1)	22,202,558	21,225,923	20,186,582
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Measured at amortized cost (2)	3,474,033	2,363,583	4,675,503

- 1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets measured at amortized cost, accounts receivable, other receivables (excluding tax receivable), refundable deposits and long-term accounts receivable.
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, accounts payable - related parties, other payables, long-term borrowing and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, accounts receivable, other receivables, refundable deposits, long-term accounts receivable, accounts payable, other payables, lease liabilities and guarantee deposits. The Group's corporate treasury function provides services to the business departments, 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. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other prices (see (c) below).

a) Foreign currency risk

The Group had foreign currency-denominated sales and purchases, which exposed the Group to foreign currency risk. The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the U.S. dollar strengthening 5% against the relevant currency. For a 5% weakening of the U.S. dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	U.S. Dollar Impact	
	For the Three Months Ended	
	March 31	
	2024	2023
Profit or loss and equity*	\$ 42,057	\$ 46,778

* This was mainly attributable to the exposure on outstanding U.S. dollar-denominated deposits, receivables and payables, which were not hedged at the end of the reporting period.

b) Interest rate risk

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

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
Financial assets	\$ 13,171,847	\$ 8,571,228	\$ 9,660,717
Financial liabilities	536,867	450,417	91,575
Cash flow interest rate risk			
Financial assets	6,173,108	9,736,703	8,371,949
Financial liabilities	300,230	-	-

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's floating-rate financial assets and financial liabilities at the end of the reporting period.

Had interest rates been 50 basis points higher and all other variables held constant, the Group's pretax profit for the three months ended March 31, 2024 and 2023 would have increased by \$7,341 thousand and \$10,465 thousand, respectively, which was mainly attributable to the Group's exposure to interest rate changes on its variable-rate bank deposits.

c) Other price risk

The Group's price risk of equity instrument investments in 2023 and 2022 is primarily from the investments in equity instruments at FVTPL.

If the price of the equity instrument increased (decreased) by 5% at the end of the reporting period, the Group's profit before tax would have increased (decreased) by \$209,002 thousand and \$199,213 thousand for the three months ended March 31, 2024 and 2023, 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 year, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation approximates the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly or non-publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The accounts receivable balances of individual customers that each accounted for more than 10% of the total balance as of March 31, 2024, December 31 and March 31, 2023, were as follows:

	March 31, 2024
Customer G	\$ 687,322
Customer F	<u>326,930</u>
	<u>\$ 1,014,252</u>
	December 31, 2023
Customer A	\$ 201,969
Customer G	541,785
Customer F	<u>358,905</u>
	<u>\$ 1,102,659</u>
	March 31, 2023
Customer G	349,706
Customer F	<u>224,517</u>
	<u>\$ 574,223</u>

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's working capital was sufficient and there was no liquidity risk due to lack of funds needed to meet contractual obligations.

	March 31, 2024	December 31, 2023	March 31, 2023
Lines of credit secured bank loans			
Unused amount	<u>\$ 2,706,132</u>	<u>\$ 2,601,136</u>	<u>\$ 2,658,730</u>
Lines of credit unsecured bank loans			
Used amount	<u>\$ 552,802</u>	<u>\$ 160,403</u>	<u>\$ -</u>

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between Silergy and its subsidiaries, which are related parties of Silergy, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and its related parties are disclosed below.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
SMAT	Associate
WMT	Associate
Wuxin (Shanghai)	Associate

b. Purchases of goods

<u>Related Party Category/Name</u>	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Associates	<u>\$ 17,436</u>	<u>\$ 10,698</u>

Terms and conditions for purchases of goods from related parties are the same as that of general transactions.

c. Receivables from related parties

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other receivables	Associates	<u>\$ 19,073</u>	<u>\$ 18,333</u>	<u>\$ -</u>

d. Payables to related parties

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts payable - related parties	Associates	<u>\$ 7,807</u>	<u>\$ 3,577</u>	<u>\$ 3,503</u>
Other payables	Associates	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114</u>

e. Others

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2024	2023
Research and development expense	Associates	<u>\$ 196</u>	<u>\$ 751</u>

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Refundable deposits	Associates	<u>\$ 6,765</u>	<u>\$ 6,503</u>	<u>\$ 6,647</u>
Contract liabilities	Associates	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ -</u>

f. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2024	2023
Salaries	\$ 12,587	\$ 13,324
Post-employment benefits	108	202
Share-based payments	<u>1,209</u>	<u>1,527</u>
	<u>\$ 13,904</u>	<u>\$ 15,053</u>

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group on March 31, 2024 were as follows:

Significant Unrecognized Commitment

The Group signed long-term raw material purchase contracts with several suppliers and paid a certain amount of money as a deposit. The contracts also stipulated the minimum purchase amount per year. As of March 31, 2024, the Group has not needed to recognize any liability provisions due to signing long-term raw material purchase contracts with suppliers. The Group was unable to reach the minimum purchase amount in 2023, and the Group estimated the penalty of \$108,292 thousand according to contracts.

To reduce its impact, the Group signed supply-chain contracts with several customers to guarantee specific production capacity and received a certain amount of money as a deposit.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Group and the exchange rates between the foreign currencies and the respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

(Foreign Currencies and Carrying Amounts in Thousands)

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,289	32.000 (USD:NTD)	\$ 73,244
USD	25,690	7.0950 (USD:RMB)	822,067
USD	185	1,336.68 (USD:KRW)	5,907
USD	100	8.1873 (USD:MOP)	3,206
GBP	61	1.2622 (GBP:USD)	2,475
NTD	156,884	0.0313 (NTD:USD)	156,884
HKD	579	0.1278 (HKD:USD)	<u>2,367</u>
			<u>\$ 1,066,150</u>

Financial liabilities

Monetary items			
USD	462	32.000 (USD:NTD)	\$ 14,793
USD	1,516	7.0950 (USD:RMB)	48,500
NTD	767,521	0.0313 (NTD:USD)	<u>767,521</u>
			<u>\$ 830,814</u>

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 868	30.705 (USD:NTD)	\$ 26,640
USD	34,269	7.0827 (USD:RMB)	1,052,241
USD	587	1,284.19 (USD:KRW)	18,032
USD	553	8.1706 (USD:MOP)	16,972
GBP	54	1.2750 (GBP:USD)	2,120
HKD	841	0.1296 (HKD:USD)	<u>3,346</u>
			<u>\$ 1,119,351</u>

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 361	30.705 (USD:NTD)	\$ 11,098
USD	1,715	7.0827 (USD:RMB)	52,661
NTD	15,593	0.0326 (NTD:USD)	<u>15,593</u>
			<u>\$ 79,352</u>
			(Concluded)

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,774	30.45 (USD:NTD)	\$ 54,019
USD	32,002	6.8717 (USD:RMB)	974,476
USD	339	1,292.44 (USD:KRW)	10,321
USD	107	8.2109 (USD:MOP)	3,258
GBP	36	1.2371 (GBP:USD)	1,339
HKD	303	1.0460 (HKD:MOP)	1,175
HKD	713	0.1274 (HKD:USD)	<u>2,766</u>
			<u>\$ 1,047,354</u>

Financial liabilities

Monetary items			
USD	337	30.45 (USD:NTD)	\$ 10,249
USD	3,161	6.8717 (USD:RMB)	96,264
NTD	1,740,274	0.0328 (NTD:USD)	<u>1,740,274</u>
			<u>\$ 1,846,787</u>

For the three months ended March 31, 2024 and 2023, realized and unrealized net foreign exchange gains (losses) were \$39,921 thousand and \$(23,933) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (Table 1)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 2)

- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
 - 9) Trading in derivative instruments (None)
 - 10) Intercompany relationships and significant intercompany transactions (Table 4)
- b. Information on investees (Table 5)
- 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 6)
 - 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:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (Note 30 and Table 4)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Tables 3 and 4)
 - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 1)
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (None)
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services. (None)
- 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 7)

34. SEGMENT INFORMATION

Information reported to the chief operating decision maker is for the purposes of resource allocation and assessment of segment performance. Under IFRS 8 “Operating Segments,” if the operating revenue of an operating segment accounts for up to 90% of the Group’s total revenue, the Group is considered as having only one reportable segment.

SILERGY CORP.
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ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	Silergy Corp.	Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	2	\$ 6,336,341	\$ 3,200,000	\$ 3,200,000	\$ 1,664,000	\$ -	10.10	\$ 15,840,852	Y	N	Y	
		Xian Silergy Semiconductor Technology Co., Ltd.	2	6,336,341	960,000	960,000	480,000	-	3.03	15,840,852	Y	N	Y	
1	Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	Hangzhou Silergy Test Technology Co., Ltd.	4	4,443,189	4,510,218	4,510,218	4,510,218	-	20.30	11,107,973	N	N	Y	Note 4
		Nanjing Silergy Micro Technology Co., Ltd.	2	4,443,189	2,255,109	2,255,109	-	-	10.15	11,107,973	N	N	Y	

Note 1: No. 0 represents the parent company; other numbers represent subsidiaries.

Note 2: The nature of the relationship between the endorser/guarantor and the endorsee/guarantee are represented by the following numerals:

No. 1 - companies with business transactions.

No. 2 - a subsidiary directly holding over 50% of the ordinary shares.

No. 3 - a parent and subsidiary collectively holding over 50% of the ordinary shares of the investee company.

No. 4 - a parent company holding 50% of the ordinary shares directly or through a subsidiary indirectly.

No. 5 - companies (based on the contractual project requirements of the same industry) with contractual mutual guarantees.

No. 6 - companies guaranteed by their respective ordinary shareholdings in accordance with mutual investment relations.

No. 7 - companies engaged in performance guarantees of contracts related to the pre-sale of real estate in accordance with the Consumer Protection Law.

Note 3: The total amount of guarantee shall not exceed 50% of Silergy Corp.'s net value. The total amount of the guarantee provided by Silergy Corp. to any individual entity shall not exceed 20% of Silergy Corp.'s net value.

Note 4: Intercompany endorsements between subsidiaries, directly and indirectly, are 100% held by Silergy Corp. and are not subject to the foregoing limitations.

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MARKETABLE SECURITIES HELD
MARCH 31, 2024
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Holding Company Name	Type and Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Silergy Corp.	Shares							
	Alphatecture Venture Fund Limited Partnership	-	Financial assets at FVTPL - non-current	-	\$ 248,974 (US\$ 7,780,437)	7.760	\$ 248,974 (US\$ 7,780,437)	
Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	Wuxi Huaxin Semiconductor Partnership (L.P.)	-	Financial assets at FVTPL - non-current	-	-	3.442	-	
	Hangzhou Hualan Microelectronique Co., Ltd.	-	Financial assets at FVTPL - non-current	1,166,700	38,963 (RMB 8,638,730)	0.778	38,963 (RMB 8,638,730)	
	Calterah Semiconductor Technology (Shanghai) Co., Ltd.	-	Financial assets at FVTPL - non-current	-	95,168 (RMB 21,100,638)	9.228	95,168 (RMB 21,100,638)	
	Shenzhen Anchuang Technology Equity Investment Partnership (Limited Partnership)	-	Financial assets at FVTPL - non-current	-	27,061 (RMB 6,000,000)	6.780	27,061 (RMB 6,000,000)	
	Powerland Technology Inc.	-	Financial assets at FVTPL - non-current	-	383,405 (RMB 85,008,172)	5.545	383,405 (RMB 85,008,172)	
	Ningbo Meishan Bonded Port Area Anchuang Growth Equity Investment Partnership L.P.	-	Financial assets at FVTPL - non-current	-	78,929 (RMB 17,500,000)	1.186	78,929 (RMB 17,500,000)	
	Shanghai Geometrical Perception and Learning Co., Ltd.	-	Financial assets at FVTPL - non-current	-	78,776 (RMB 17,466,156)	2.429	78,776 (RMB 17,466,156)	
	Hefei Kangtong Equity Investment Partnership (Limited Partnership)	-	Financial assets at FVTPL - non-current	-	-	20.000	-	
	Yiwu Huaxin Yuanjing Venture Investment Center L.P.	-	Financial assets at FVTPL - non-current	-	135,306 (RMB 30,000,000)	2.147	135,306 (RMB 30,000,000)	
	Zhejiang Sentronic Semiconductor Co., Ltd.	-	Financial assets at FVTPL - non-current	-	186,683 (RMB 41,391,179)	23.169	186,683 (RMB 41,391,179)	
	Hangzhou Einno Semiconductor Co., Ltd.	-	Financial assets at FVTPL - non-current	-	52,221 (RMB 11,578,351)	10.763	52,221 (RMB 11,578,351)	
	Hangzhou Xinling Enterprise Management Partnership L.P.	-	Financial assets at FVTPL - non-current	-	141,331 (RMB 31,335,789)	36.857	141,331 (RMB 31,335,789)	
	Chengdu Analog Circuit Technology Inc.	-	Financial assets at FVTPL - non-current	631,333	259,219 (RMB 57,473,801)	1.126	259,219 (RMB 57,473,801)	
	Hefei Walden II IC Industry Investment Partnership L.P.	-	Financial assets at FVTPL - non-current	-	637,485 (RMB 141,342,300)	11.066	637,485 (RMB 141,342,300)	
	Fujian Baicheng New Energy Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	-	90,462 (RMB 20,096,965)	5.776	90,462 (RMB 20,096,965)	
	Enovate3D (Hangzhou) Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	-	147,167 (RMB 32,629,665)	13.119	147,167 (RMB 32,629,665)	
	Zhejiang Hexin Semiconductor Co., Ltd.	-	Financial assets at FVTPL - non-current	-	209,027 (RMB 46,345,230)	3.600	209,027 (RMB 46,345,230)	
	Shenzhen Juyuan Xinchuang Capital Fund, LLP.	-	Financial assets at FVTPL - non-current	-	270,613 (RMB 60,000,000)	1.435	270,613 (RMB 60,000,000)	
	Guangzhou Huaxin Shengjing Venture Capital Center (Limited Partnership)	-	Financial assets at FVTPL - non-current	-	94,715 (RMB 21,000,000)	1.408	94,715 (RMB 21,000,000)	
	Xiamen Jianda Guili Equity Partners LLP.	-	Financial assets at FVTPL - non-current	-	157,858 (RMB 35,000,000)	58.236	157,858 (RMB 35,000,000)	
Hangzhou Xight Semi-conductor Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	-	11,728 (RMB 2,600,223)	6.328	11,728 (RMB 2,600,223)		
Hangzhou Xinruiwei Equity Investment Partnership (Limited Partnership)	-	Financial assets at FVTPL - non-current	-	-	38.997	-		
Hangzhou Huaxin Yunkai Equity Investment Partnership (Limited Partnership)	-	Financial assets at FVTPL - non-current	-	135,306 (RMB 30,000,000)	2.587	135,306 (RMB 30,000,000)		

(Continued)

Holding Company Name	Type and Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	Sichuan ZILLNK Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	-	\$ 132,045 (RMB 29,276,772)	2.109	\$ 132,045 (RMB 29,276,772)	
	Suzhou Juyuan Zhenxin Capital Fund, LLP.	-	Financial assets at FVTPL - non-current	-	315,715 (RMB 70,000,000)	3.325	315,715 (RMB 70,000,000)	
	Hangzhou Zhitong Enterprise Management Partnership L.P.	-	Financial assets at FVTPL - non-current	-	157,858 (RMB 35,000,000)	34.996	157,858 (RMB 35,000,000)	
	Hangzhou Haibang Shurui Equity Investment Partnership Enterprise (Limited Partnership)	-	Financial assets at FVTPL - non-current	-	31,572 (RMB 7,000,000)	2.642	31,572 (RMB 7,000,000)	
Nanjing Silergy Micro Technology Co., Ltd.	Zhenjiang Puhe Equity Investment Fund Partnership (Limited Partnership)	-	Financial assets at FVTPL - non-current	-	45,102 (RMB 10,000,000)	4.975	45,102 (RMB 10,000,000)	
Silergy Technology	AIStorm, Inc.	-	Financial assets at FVTPL - non-current	178,784	17,174 (US\$ 536,674)	0.667	17,174 (US\$ 536,674)	

Note: Refer to Tables 5 and 6 for information about subsidiaries and associates.

(Concluded)

SILERGY CORP.
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TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	Silergy Corp.	Parent company	Sale	\$ (311,397)	(12.82)	Net 30 days from the end of the month when the invoice is issued	\$ -	-	\$ 49,364	6.35	Note 2
Nanjing Silergy Micro Technology Co., Ltd.	Silergy Corp.	Parent company	Sale	(153,171)	(43.56)	Net 30 days from the end of the month when the invoice is issued	-	-	-	-	Note 2
Xian Silergy Semiconductor Technology Co., Ltd.	Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	The same ultimate parent company	Sale	(102,569)	(42.76)	Net 30 days from the end of the month when the invoice is issued	-	-	20,520	32.40	Note 2

Note 1: Transaction terms and prices between the Company and its subsidiaries are similar to regular transactions.

Note 2: Intercompany balances and transactions were eliminated upon consolidation.

Note 3: Paid-in capital referred to herein is the parent company's paid-in capital. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20% of paid-in capital shall be replaced by 10% of the equity attributable to owners of the parent in the calculation.

SILERGY CORP.
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INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Terms (Note 5)	Percentage to Consolidated Total Gross Sales or Total Assets (Note 3)
0	Silergy Corp.	Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	1	Accounts payable	\$ 49,364	-	0.14
		Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	1	Other payable	12,330	-	0.03
		Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	1	Operating expenses	12,118	-	0.32
		Nanjing Silergy Micro Technology Co., Ltd.	1	Prepaid expenses	170,470	-	0.47
		Silergy Technology	1	Accounts receivable	4,409	-	0.01
		Silergy Technology	1	Other payable	60,727	-	0.17
		Silergy Technology	1	Sales	13,935	-	0.36
		Silergy Technology	1	Operating expenses	172,180	-	4.48
		Xian Silergy Semiconductor Technology Co., Ltd.	1	Accounts receivable	829	-	0.00
		Silergy Semiconductor (Samoa) Limited	1	Other payable	21,361	-	0.06
		Silergy Technology (Taiwan) Inc.	1	Other payable	24,594	-	0.07
		Silergy Technology (Taiwan) Inc.	1	Operating expenses	120,066	-	3.13
		Silergy Korea Limited	1	Other payable	104,231	-	0.29
		Silergy Korea Limited	1	Operating expenses	18,472	-	0.48
		Silergy Technology Private Limited	1	Other payable	14,000	-	0.04
Silergy Technology Private Limited	1	Operating expenses	2,985	-	0.08		
Silergy Semiconductor (Macau) Limited	1	Other payable	19,722	-	0.05		
Silergy Semiconductor (Macau) Limited	1	Operating expenses	50,693	-	1.33		
1	Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	Silergy Corp.	2	Sales	311,397	-	8.11
		Xian Silergy Semiconductor Technology Co., Ltd.	3	Accounts payable	20,520	-	0.06
		Xian Silergy Semiconductor Technology Co., Ltd.	3	Sales	208	-	0.01
		Chengdu Silergy Semiconductor Technology Co., Ltd.	3	Operating expenses	22,137	-	0.58
		Shanghai Silergy Semiconductor Technology Co., Ltd.	3	Operating expenses	43,260	-	1.13
		Silergy Technology	3	Sales	2,985	-	0.08
		Hefei Silergy Semiconductor Technology Co., Ltd	3	Accounts receivable	257	-	0.00
		Hefei Silergy Semiconductor Technology Co., Ltd	3	Sales	508	-	0.01
		Xiamen Silergy Semiconductor Technology Co., Ltd.	3	Operating expenses	35,419	-	0.92

(Continued)

No. (Note 1)	Company Name	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Terms (Note 5)	Percentage to Consolidated Total Gross Sales or Total Assets (Note 3)
2	Nanjing Silergy Micro Technology Co., Ltd.	Silergy Corp.	2	Sales	\$ 153,171	-	3.99
		Silergy Technology	3	Accounts receivable	7	-	0.00
		Silergy Technology	3	Sales	2,288	-	0.06
		Silergy Technology (Taiwan) Inc.	3	Accounts receivable	15	-	0.00
		Silergy Technology (Taiwan) Inc.	3	Sales	15	-	0.00
		Shanghai Silergy Microelectronics Technology Co., Ltd.	3	Operating expenses	37,591	-	0.98
		Nanjing Silergy Micro (HK) Co., Limited	3	Operating expenses	332	-	0.01
3	Xian Silergy Semiconductor Technology Co., Ltd.	Silergy Corp.	2	Sales	2,982	-	0.08
		Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	3	Sales	102,569	-	2.67
		Silergy Technology	3	Sales	1,179	-	0.03
4	Hefei Silergy Semiconductor Technology Co., Ltd	Silergy Corp.	2	Sales	2,060	-	0.05
		Silergy Technology	3	Sales	94	-	0.00
5	Nanjing Silergy Micro (HK) Co., Limited	Silergy Corp.	2	Sales	593	-	0.02
		Silergy Technology (Taiwan) Inc.	3	Accounts payable	98,587	-	0.27
		Silergy Technology (Taiwan) Inc.	3	Other payable	3,903	-	0.01
		Silergy Technology (Taiwan) Inc.	3	Operating expenses	1,053	-	0.03
6	Silergy Technology	Silergy Corp.	2	Sales	118	-	0.00
7	Silergy Technology (Taiwan) Inc.	Nanjing Silergy Micro (HK) Co., Limited	3	Sales	28,628	-	0.74

Note 1: No. 0 represents the parent company; other numbers represent subsidiaries.

Note 2: The directional flow of the transactions are represented by the following numerals:

No. 1 - from parent company to subsidiary.

No. 2 - from subsidiary to parent company.

No. 3 - between subsidiaries.

Note 3: The accounts in the consolidated balance sheets and those in the consolidated statements of comprehensive income were based on the Company's consolidated total assets and total gross sales, respectively.

Note 4: Intercompany balances and transactions were eliminated upon consolidation.

Note 5: The selling prices and payment terms for intercompany sales and purchases were not significantly different from those for unrelated parties. For other intercompany transactions, prices and terms were based on mutual agreements.

(Concluded)

SILERGY CORP.
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INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2024			Net Income (Loss) of the Investee (Notes 3 and 4)	Share of Profit (Loss) (Notes 1, 3 and 4)	Note
				March 31, 2024	December 31, 2023	Number of Shares	Percentage of Ownership (%)	Carrying Amount (Notes 1 and 2)			
Silergy Corp.	Silergy Technology	Suite 100, 1307 S. Mary Ave. Sunnyvale City, Santa Clara County, California State, U.S.A.	Development, design and sales of power management IC	US\$ 7,378,454	US\$ 7,378,454	-	100.00	\$ 273,075	\$ (171,700)	\$ (171,700)	Subsidiary
	Silergy Semiconductor (Samoa) Limited	Portcullis TrustNet chambers, P.O. Box 1225, Apia, Samoa	Holding company	US\$ 24,300,000	US\$ 24,300,000	-	100.00	543,937	(US\$ -5,459,794)	(US\$ -5,459,794)	Subsidiary
	Silergy Semiconductor (Hong Kong) Limited	15/F., BOC Group Life Assurance Tower, 136 Des Voeux Road Central, Hong Kong	Holding company	US\$ 12,300,000	US\$ 11,800,000	-	100.00	201,907	(US\$ 68,143)	(US\$ 68,143)	Subsidiary
	Silicon Prospect Investment Limited	Portcullis Chambers, 4 th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Island	Holding company	US\$ 13,000,000	US\$ 13,000,000	-	100.00	207,893	(US\$ 304,635)	(US\$ 304,635)	Subsidiary
Silergy Semiconductor (Samoa) Limited	Silergy Technology (Taiwan) Inc.	7F.-8, No. 38, Taiyuan St., Zhubei City, Hsinchu County 302, Taiwan	Development, design and sales of electronic components	314,831	314,831	31,700,000	100.00	266,653	13,050	13,050	Subsidiary
	Silergy Technologies Private Limited	Unit #501, 5 th Floor, Prestige Towers, Residency Road, Bangalore-560025, Karnataka, India	Development, design and sales of electronic components	US\$ 38,200	US\$ 38,200	-	100.00	20,197	(US\$ 553)	(US\$ 553)	Subsidiary
	Silergy Korea Limited	#1202, #1203, 120 Heungdeokjungang-ro, Giheung-gu, Yongin-si, Gyeonggi-do, Korea (UTOWER)	Development, design and sales of electronic components	US\$ 600,000 (KRW 655,800,000)	US\$ 600,000 (KRW 655,800,000)	-	100.00	93,561	(US\$ 5,102)	(US\$ 5,102)	Subsidiary
Silergy Semiconductor (Hong Kong) Limited	Silergy Semiconductor (Macau) Limited	15/C, Kung Ou Edf, 367-371 Avenida da Praia Grande, Macau	Development, design and sales of electronic components	US\$ 111,372 (MOP 900,000)	US\$ 111,372 (MOP 900,000)	-	100.00	18,493	(MOP 17,896)	(MOP 17,896)	Subsidiary
Nanjing Silergy Micro Technology Co., Ltd.	Nanjing Silergy Micro (HK) Co., Limited	Unit 701, 7/F Citicorp CTR 18 Whitfield Rd, Causeway Bay, Hong Kong	Development, design and sales of electronic components	US\$ 5,200,960	US\$ 5,200,960	-	100.00	320,391	(US\$ 85,575)	(US\$ 85,575)	Subsidiary
Silicon Prospect Investment Limited	Winsheng Material Technology Co., Ltd.	No. 191, Jieyukeng Rd., Rueifang Dist., New Taipei City	Manufacturing and selling of electronic components	362,109	362,109	14,453,631	44.46	199,352	(34,143)	(15,470)	Related company

Note 1: Except for Winsheng Material Technology Co., Ltd., the carrying amount of the investments and the share of profit or loss were eliminated upon consolidation.

Note 2: Translation was based on the exchange rate on March 31, 2024.

Note 3: Translation was based on the average exchange rate for the three months ended March 31, 2024.

Note 4: Information was based on the investee's current year's reviewed financial statements.

Note 5: Refer to Table 6 for information on investments in mainland China.

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INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee (Note 2)	Percentage of Ownership (%)	Investment Income (Loss) Recognized (Notes 2, 3 and 4)	Carrying Amount as of March 31, 2024 (Notes 1 and 4)	Accumulated Repatriation of Investment Income as of March 31, 2024
					Outward	Inward						
Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	Development, design and sale of electronic components and related technical services	US\$ 58,520,270 (RMB 381,687,917)	Through Silergy Corp.	\$ -	\$ -	\$ -	\$ -	\$ 737,391 (RMB 166,550,659)	100.00	\$ 737,391 (RMB 166,550,659)	\$ 22,215,203	\$ -
Hangzhou Silergy Test Technology Co., Ltd.	Testing of electronic components, integrated circuits, semiconductors and electronic products	RMB 100,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(1,536) (RMB -346,861)	100.00	(1,536) (RMB -346,861)	446,604	-
Nanjing Silergy Micro Technology Co., Ltd.	Development, design and sale of electronic components	RMB 49,296,575	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(13,410) (RMB -3,028,854)	63.83	(8,560) (RMB -1,933,323)	1,144,812	-
Xian Silergy Semiconductor Technology Co., Ltd.	Development, design, and sale of electronic components, integrated circuits, semiconductors and electronic products	RMB 91,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	55,565 (RMB 12,550,159)	100.00	55,565 (RMB 12,550,159)	1,617,870	-
Chengdu Silergy Semiconductor Technology Co., Ltd.	Development and design of electronic components, integrated circuits, semiconductors and electronic products	RMB 34,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(1,321) (RMB -298,390)	100.00	(1,321) (RMB -298,390)	61,292	-
Shanghai Silergy Semiconductor Technology Co., Ltd.	Development and design of electronic components, integrated circuits, semiconductors and electronic products	RMB 10,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	1,417 (RMB 320,120)	49.00	695 (RMB 156,859)	(9,156)	-
Hefei Silergy Semiconductor Technology Co., Ltd.	Development and design of electronic components	RMB 60,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	13,218 (RMB 2,985,436)	100.00	13,218 (RMB 2,985,436)	295,236	-
Xiamen Silergy Semiconductor Technology Co., Ltd.	Development and design of electronic components, integrated circuits, semiconductors and electronic products	RMB 10,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	65 (RMB 14,577)	100.00	65 (RMB 14,577)	24,016	-
Shanghai Silergy Microelectronics Technology Co., Ltd.	Development and design of electronic components, integrated circuits, semiconductors and electronic products	RMB 53,000,000	Through Nanjing Silergy Micro Technology Co., Ltd.	-	-	-	-	1,783 (RMB 402,683)	63.83	1,138 (RMB 257,033)	(5,867)	-
Guangdong Silergy Micro Technology Co., Ltd.	Development and design of electronic components, integrated circuits, semiconductors and electronic products	RMB 5,000,000	Through Nanjing Silergy Micro Technology Co., Ltd.	-	-	-	-	(2,233) (RMB -504,435)	63.83	(1,426) (RMB -321,982)	9,746	-
Hefei SMAT Technology Co., Ltd.	Development and manufacturing of vehicles and IOT	RMB 505,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(52,200) (RMB -11,790,199)	23.66	(12,352) (RMB -2,789,962)	240,315 (Note 6)	-
	Development and manufacturing of vehicles and IOT	RMB 505,000,000	Through Silergy Semiconductor (Hong Kong) Limited	-	-	-	-	(52,200) (US\$ -1,659,890)	14.63	(7,636) (US\$ -242,828)	167,419	-
Zhuhai Hengqin Accu-Rate Technology Co., Ltd.	Development and manufacturing of integrated circuits	RMB 1,428,600	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(8,161) (RMB -1,843,276)	26.92	(2,983) (RMB -673,649)	131,334	-
JT Microelectronics (Shenzhen) Co., Ltd.	Development and design of integrated circuits and semiconductors	RMB 1,434,192	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(16,073) (RMB -3,630,317)	6.34	(1,838) (RMB -415,190)	50,205	-
Wuxin (Shanghai) Semiconductor Technology Co., Ltd.	Development and sale of integrated circuits	RMB 100,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(6,368) (RMB -1,438,274)	35.00	(2,229) (RMB -503,396)	150,931	-

Accumulated Outward Remittance for Investments from Taiwan in Mainland China as of March 31, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$ - (Note 5)	\$ - (Note 5)	\$ - (Note 5)

(Continued)

Note 1: Translation was based on the exchange rate on March 31, 2024.

Note 2: Translation was based on the average exchange rate for the three months ended March 31, 2024.

Note 3: Information was based on the investee's reviewed financial statements for the current year.

Note 4: Except for Hefei SMAT Technology Co., Ltd., Accu-Rate, JT Microelectronics (Shenzhen) Co., Ltd., and Wuxin (Shanghai) Semiconductor Co., Ltd. the carrying amount of the investments and the share of profit or loss were eliminated upon consolidation.

Note 5: Foreign security issuers are not subject to the investment limitation set out in the "Guidelines on Investment and Technical Cooperation in Mainland China" issued by the Ministry of Economic Affairs on August 29, 2008, whereby the limit is 60% of an investment entity's most recent net value.

Note 6: Refers to the net amount after deducting the unrealized gain on disposal of intangible assets.

(Concluded)

SILERGY CORP.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES**INFORMATION OF MAJOR SHAREHOLDERS**
FOR THE THREE MONTHS ENDED MARCH 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chen Wei	27,924,560	7.25

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

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor 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 the Market Observation Post System website of the TWSE.