

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Sonix Technology Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2023 and 2022**

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Sonix Technology Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Sonix Technology Co., Ltd. and its subsidiaries as of June 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended June 30, 2023 and 2022 and for the six months ended, the consolidated statements of changes in equity and cash flows for six months ended June 30, 2023 and 2022, and related notes to the consolidated financial statements, including a summary of significant accounting policies (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

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements No. 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.

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements of some insignificant subsidiaries included in the consolidated financial statements were not reviewed. As of June 30, 2023 and 2022, the combined total assets of these insignificant subsidiaries were respectively NT\$223,813 thousand and NT\$226,136 thousand, representing 5.08% and 3.93%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were respectively NT\$5,150 thousand and NT\$5,686 thousand, representing 0.52% and 0.26%, respectively, of the consolidated total liabilities. For the three months and six months ended June 30, 2023 and 2022, the combined comprehensive income and loss of these subsidiaries respectively amounted to NT\$6,460 thousand, NT\$5,150 thousand, NT\$3,629 thousand and NT\$5,037 thousand representing 3.92%, 6.89%, 1.50% and 1.29%, respectively, of the consolidated total comprehensive income. In addition, as stated in Note 12 to the consolidated financial statements, the investments accounted for using equity-method as of June 30, 2022 and 2021, with carrying values of NT\$5,148 thousand and NT\$6,669 thousand, respectively, and the related shares of the comprehensive income of these investees amounting to NT(\$28) thousand, NT(\$27) thousand, NT(\$61) thousand, and NT(\$44) thousand, for the three months and six months ended June 30, 2023 and 2022, respectively. These amounts referring to the investments accounted for using equity-method were based on unreviewed financial statements of associates. Related investments information on insignificant subsidiaries and investees stated above shown in Note 26 to the consolidated financial statements was also unreviewed.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been

reviewed, 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 June 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the three months ended June 30, 2023 and 2022, and its consolidated financial performance and its cash flows for the six months ended June 30, 2023 and 2022, 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’ reviews report are Yao Lin Huang and Shih Chieh Chou.

Deloitte & Touche
Taipei, Taiwan
Republic of China

AUGUST 8, 2023

Notice to Readers

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

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023		December 31, 2022		June 30, 2022	
	Reviewed		Audited		Reviewed	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,083,659	24	\$ 822,487	20	\$ 1,849,416	32
Financial assets at fair value through profit or loss - current	57,166	1	55,753	1	174,445	3
Financial assets at amortized cost – current (Notes 8 and 24)	468,625	11	471,742	11	474,572	8
Trade receivables from unrelated parties (Notes 9 and 23)	336,039	8	240,530	6	516,141	9
Inventories (Note 10)	919,324	21	1,222,093	29	1,340,419	23
Other current assets	86,160	2	70,864	2	50,497	1
Total current assets	<u>2,950,973</u>	<u>67</u>	<u>2,883,469</u>	<u>69</u>	<u>4,405,490</u>	<u>76</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 7)	467,922	11	283,921	7	345,036	6
Investments accounted for using equity method (Note 12)	5,148	-	5,209	-	6,669	-
Property, plant and equipment (Notes 13 and 24)	681,939	15	708,637	17	721,708	13
Investment properties (Note 14)	119,444	3	120,919	3	122,268	2
Intangible assets (Note 15)	128,192	3	115,582	3	95,013	2
Deferred tax assets (Note 4)	49,561	1	50,970	1	59,934	1
Refundable deposits	2,330	-	5,067	-	4,797	-
Other non-current assets	16	-	38	-	54	-
Total non-current assets	<u>1,454,552</u>	<u>33</u>	<u>1,290,343</u>	<u>31</u>	<u>1,355,479</u>	<u>24</u>
TOTAL	<u>\$ 4,405,525</u>	<u>100</u>	<u>\$ 4,173,812</u>	<u>100</u>	<u>\$ 5,760,969</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Trade payables to unrelated parties	\$ 159,280	3	\$ 135,641	3	\$ 226,243	4
Other payables (Note 16)	646,316	15	243,647	6	1,642,734	28
Current tax liabilities	32,538	1	15,310	1	121,074	2
Other current liabilities	5,499	-	14,052	-	6,383	-
Total current liabilities	<u>843,633</u>	<u>19</u>	<u>408,650</u>	<u>10</u>	<u>1,996,434</u>	<u>34</u>
NON-CURRENT LIABILITIES						
Provisions - non-current	20,586	-	18,970	1	22,192	-
Deferred tax liabilities (Note 4)	28,792	1	48,272	1	71,266	1
Net defined benefit liabilities - non-current (Notes 4 and 17)	9,654	-	14,329	-	22,707	1
Guarantee deposits	79,305	2	81,859	2	102,204	2
Total non-current liabilities	<u>138,337</u>	<u>3</u>	<u>163,430</u>	<u>4</u>	<u>218,369</u>	<u>4</u>
Total liabilities	<u>981,970</u>	<u>22</u>	<u>572,080</u>	<u>14</u>	<u>2,214,803</u>	<u>38</u>
EQUITY (Note 18)						
Share capital						
Ordinary shares	1,678,770	38	1,678,770	40	1,678,770	29
Capital surplus	62,661	2	62,661	2	62,661	1
Retained earnings						
Legal reserve	1,210,820	27	1,152,339	28	1,152,339	20
Special reserve	66,015	2	228	-	228	-
Unappropriated earnings	312,992	7	773,521	18	652,326	12
Total retained earnings	1,589,827	36	1,926,088	46	1,804,893	32
Other equity	92,297	2	(65,787)	(2)	(158)	-
Total equity	<u>3,423,555</u>	<u>78</u>	<u>3,601,732</u>	<u>86</u>	<u>3,546,166</u>	<u>62</u>
TOTAL	<u>\$ 4,405,525</u>	<u>100</u>	<u>\$ 4,173,812</u>	<u>100</u>	<u>\$ 5,760,969</u>	<u>100</u>

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

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales (Note 23)	\$ 662,960	100	\$ 1,027,183	100	\$ 1,201,406	100	\$ 2,054,048	100
OPERATING COSTS								
Cost of goods sold (Notes 10 and 19)	395,201	60	537,603	52	718,969	60	1,083,343	53
GROSS PROFIT	267,759	40	489,580	48	482,437	40	970,705	47
OPERATING EXPENSES (Notes 9, 19 and 23)								
Selling and marketing expenses	16,594	2	16,430	2	31,016	2	31,856	1
General and administrative expenses	43,643	7	53,986	5	82,407	7	100,992	5
Research and development expenses	177,870	27	205,404	20	334,579	28	393,461	19
Expected credit gain	(3)	-	(5)	-	(3)	-	(16)	-
Total operating expenses	238,104	36	275,815	27	447,999	37	526,293	25
PROFIT FROM OPERATIONS	29,655	4	213,765	21	34,438	3	444,412	22
NON-OPERATING INCOME AND EXPENSES								
Other income (Notes 19 and 23)	10,184	1	34,876	3	13,671	1	36,718	2
Other gains and losses (Notes 19 and 25)	10,499	2	28,204	3	10,892	1	61,541	3
Share of profit or loss of associates accounted for using equity method (Note 12)	(28)	-	(27)	-	(61)	-	(44)	-
Interest revenue (Note 19)	5,269	1	4,006	-	8,103	1	6,064	-
Total non-operating income and expenses	25,924	4	67,059	6	32,605	3	104,279	5
PROFIT BEFORE INCOME TAX	55,579	8	280,824	27	67,043	6	548,691	27
INCOME TAX EXPENSE (Notes 4 and 20)	(18,885)	(3)	30,570	3	(16,389)	(1)	85,078	4
NET PROFIT FOR THE PERIOD	74,464	11	250,254	24	83,432	7	463,613	23
OTHER COMPREHENSIVE INCOME AND LOSS								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investment in equity instruments at fair value through other comprehensive income	122,229	19	(150,486)	(15)	184,001	15	(103,829)	(5)

(Continued)

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

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

(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	\$ (31,691)	(5)	\$ (25,003)	(2)	\$ (25,917)	(2)	\$ 30,041	1
Total other comprehensive income and loss	90,538	14	(175,489)	(17)	158,084	13	(73,788)	(4)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 165,002	25	\$ 74,765	7	\$ 241,516	20	\$ 389,825	19
EARNINGS PER SHARE(Notes 21)								
Basic	<u>\$ 0.44</u>		<u>\$ 1.49</u>		<u>\$ 0.50</u>		<u>\$ 2.76</u>	
Diluted	<u>\$ 0.44</u>		<u>\$ 1.48</u>		<u>\$ 0.49</u>		<u>\$ 2.72</u>	

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

(Concluded)

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Retained Earnings(Note 18)							Other Equity(Note 18)		Total Equity
	Ordinary Shares	Capital Surplus Ordinary Shares Issued At Premium	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Foreign Operations	Exchange Differences on Translating	Changes in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities	
									Designated as at Fair Value	
BALANCE AT JANUARY 1, 2022	\$ 1,678,770	\$ 62,661	\$1,005,920	\$ 228	\$ 1,510,271	\$ 2,516,419	\$ (66,995)	\$ 140,625	\$ 73,630	\$ 4,331,480
APPROPRIATION OF 2021 EARNINGS										
Legal reserve	-	-	146,419	-	(146,419)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,175,139)	(1,175,139)	-	-	-	(1,175,139)
Net profit for the Six Months Ended June 30, 2022	-	-	-	-	463,613	463,613	=	-	-	463,613
Other comprehensive income for the Six Months Ended June 30, 2022 net of income tax	-	-	-	-	-	-	30,041	(103,829)	(73,788)	(73,788)
Total comprehensive income for the Six Months Ended June 30, 2022	-	-	-	-	463,613	463,613	30,041	(103,829)	(73,788)	389,825
BALANCE AT JUNE 30, 2022	\$ 1,678,770	\$ 62,661	\$ 1,152,339	\$ 228	\$ 652,326	\$ 1,804,893	\$ (36,954)	\$ 36,796	\$ (158)	\$ 3,546,166
BALANCE AT JANUARY 1, 2023	\$ 1,678,770	\$ 62,661	\$ 1,152,339	\$ 228	\$ 773,521	\$ 1,926,088	\$ (40,092)	\$ (25,695)	\$ (65,787)	\$ 3,601,732
APPROPRIATION OF 2022 EARNINGS										
Legal reserve	-	-	58,481	-	(58,481)	-	-	-	-	-
Special reserve	-	-	-	65,787	(65,787)	-	-	-	-	-
Cash dividends	-	-	-	-	(419,693)	(419,693)	-	-	-	(419,693)
Net profit for the Six Months Ended June 30, 2023	-	-	-	-	83,432	83,432	-	-	-	83,432
Other comprehensive income for the Six Months Ended June 30, 2023, net of income tax	-	-	-	-	-	-	(25,917)	184,001	158,084	158,084
Total comprehensive income for the Six Months Ended June 30, 2023	-	-	-	-	83,432	83,432	(25,917)	184,001	158,084	241,516
BALANCE AT JUNE 30, 2023	\$ 1,678,770	\$ 62,661	\$ 1,210,820	\$ 66,015	\$ 312,992	\$ 1,589,827	\$ (66,009)	\$ 158,306	\$ 92,297	\$ 3,423,555

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

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 67,043	\$ 548,691
Adjustments for:		
Depreciation expenses	35,013	30,949
Amortization expenses	9,488	7,700
Expected credit loss reversed on trade receivables	(3)	(16)
Net loss on fair value changes of financial assets at fair value through profit or loss	(1,413)	6,731
Interest income	(8,103)	(6,064)
Dividend income	(6,571)	(29,572)
Share of (profit) loss of associates and joint ventures	61	44
Price reduction and scrapped of inventories	2,581	5,819
Loss on disposal and scrapped of property, plant and equipment	16	-
Net gain (loss) on foreign currency exchange	(940)	(549)
Changes in operating assets and liabilities		
Trade and notes receivables	(92,470)	32,611
Inventories	300,380	102,000
Other current assets	6,189	2,392
Trade payables	22,631	(144,269)
Other payables	(17,039)	41,200
Provisions for employee benefits	1,616	1,435
Other current liabilities	(8,561)	517
Net defined benefit liability	(4,675)	(594)
Cash generated from operations	305,243	599,025
Interest received	5,627	4,983
Dividends received	6,571	32,858
Income tax paid	(3,541)	(171,703)
Net cash generated from operating activities	<u>313,900</u>	<u>465,163</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(878)	(1,845)
Payments for property, plant and equipment	(14,785)	(20,179)
Decrease in refundable deposits	2,693	2,181
Payments for intangible assets	(22,127)	(11,818)
Decrease in other assets	21	14
Dividends received	-	460
Net cash used in investing activities	<u>(35,076)</u>	<u>(31,187)</u>

(Continued)

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<u>For the Six Months Ended June 30</u>	
	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Refunds of guarantee deposits	<u>(2,492)</u>	<u>(14,882)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(15,160)</u>	<u>17,221</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	261,172	436,315
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>822,487</u>	<u>1,413,101</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,083,659</u>	<u>\$ 1,849,416</u>

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

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Sonix Technology Co., Ltd (the “Company”) was incorporated in the Republic of China (“ROC”) in July 1996. The Company mainly develops, designs, manufactures and trades semiconductors.

The Company was listed at OTC market on November 27, 2000 and submitted applications for listed at stock exchange market to Securities and Futures Bureau, FSC on June 27 then approved by Taiwan Stock Exchange on July 25, 2003. The Company’s shares have been traded at the Taiwan Stock Exchange since August 25, 2003.

For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s stocks are listed on the Taipei Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 8, 2023.

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

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC) The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Corporation’s accounting policies.

b. New IFRSs 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
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024
Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”	Note 3

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

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

Note 3: The requirement that the Group applies the exception and the requirement to disclose that fact is applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are applied for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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 financial statements.

b. Basis of preparation

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

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

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

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).

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

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

See Note 11, table 4 and table.5 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, for the summary of significant accounting policies, please refer to the consolidated financial statements for the year ended December 31, 2022.

1) 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.

2) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as defined benefit retirement plans, but the relevant remeasurements are recognized in profit or loss

3) Taxation

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. The effect of a change in tax rate resulting from a change in tax law is recognized consistently with the accounting for the transaction itself which gives rise to the tax consequence, and this is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2022.

6. CASH AND CASH EQUIVALENTS

	<u>June 30, 2023</u>	<u>December31, 2022</u>	<u>June 30, 2022</u>
Cash on hand	\$ 287	\$ 329	\$ 193
Checking accounts and demand deposits	937,094	709,260	1,420,520
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	81,190	50,100	150,100
Repurchase bonds			
	<u>65,088</u>	<u>62,798</u>	<u>278,603</u>
	<u>\$ 1,083,659</u>	<u>\$ 822,487</u>	<u>\$ 1,849,416</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>June 30, 2023</u>	<u>December31, 2022</u>	<u>June 30, 2022</u>
<u>Non-current</u>			
Domestic investments			
Listed shares			
Ordinary shares-Champion Microelectronic Corp.	\$ 467,888	\$ 283,887	\$ 345,002
Unlisted shares			
Ordinary shares-Ours Technology Inc.	34	34	34
	<u>\$ 467,922</u>	<u>\$ 283,921</u>	<u>\$ 345,036</u>

These investments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

8. FINANCIAL ASSETS AT AMORTIZED COST-CURRENT

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
<u>Current</u>			
Domestic investment			
Time deposits with original maturity of more than 3 months	\$ 246,592	\$ 246,578	\$ 261,569
Foreign investment			
Time deposits with original maturity of more than 3 months	<u>222,033</u>	<u>225,164</u>	<u>213,003</u>
	<u>\$ 468,625</u>	<u>\$ 471,742</u>	<u>\$ 474,572</u>

- a. As of June 30, 2023, December 31, 2022 and June 30, 2022, the interest rates for time deposits with original maturity of more than 3 months were 1.02% to 4.50%, 0.35% to 2.7% and 0.56% to 2.25% per annum, respectively.
- b. Refer to Note 24 for information relating to investments in financial assets at amortized cost pledged as security.

9. TRADE RECEIVABLE

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
<u>Trade receivable</u>			
At amortized cost			
Gross carrying amount	339,796	244,290	519,903
Less: Allowance for impairment loss	(<u>3,757</u>)	(<u>3,760</u>)	(<u>3,762</u>)
	<u>336,039</u>	<u>240,530</u>	<u>516,141</u>

Trade receivable

The average credit period of sales of goods was 60 days. No interest was charged on trade receivables. The Group adopted a policy of only dealing with entities that have good credit ratings, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. 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 Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables.

June 30, 2023

	Less than 60 days	61 to 90 days	91 to 180 days	Over 180 days	Total
Expected credit loss rate	0.09%	0%	100%	100%	
Total carrying amount	\$ 336,330	\$ -	\$ 41	\$ 3,425	\$ 339,796
Allowance for loss	(291)	-	(41)	(3,425)	(3,757)
Amortized cost	<u>\$ 336,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336,039</u>

December 31, 2022

	Less than 60 days	61 to 90 days	91 to 180 days	Over 180 days	Total
Expected credit loss rate	0.14 %	0%	0%	100%	
Total carrying amount	\$ 240,868	\$ -	\$ -	\$ 3,422	\$ 244,290
Allowance for loss	(338)	-	-	(3,422)	(3,760)
Amortized cost	<u>\$ 240,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,530</u>

June 30, 2022

	Less than 60 days	61 to 90 days	91 to 180 days	Over 180 days	Total
Expected credit loss rate	0.05%	0%	100%	100%	
Total carrying amount	\$ 516,389	\$ -	\$ 59	\$ 3,455	\$ 519,903
Allowance for loss	(248)	-	(59)	(3,455)	(3,762)
Amortized cost	<u>\$ 516,141</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 516,141</u>

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

	For the six months Ended June 30	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 3,760	\$ 3,778
Less: Net remeasurement of loss allowance	(3)	(16)
Balance at June 30	<u>\$ 3,757</u>	<u>\$ 3,762</u>

10. INVENTORIES

	June 30, 2023	December 31, 2022	June 30, 2022
Finished and purchased goods	\$ 160	\$ 24	\$ 1,099
Finished goods	201,530	273,137	386,824
Work in progress	587,213	784,455	784,104
Raw materials	130,421	164,477	168,392
	<u>\$ 919,324</u>	<u>\$ 1,222,093</u>	<u>\$ 1,340,419</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cost of inventories sold	\$ 391,118	\$ 532,783	\$ 716,388	\$ 1,077,524
Inventory write-down (Reversal)	(3,027)	4,820	(4,529)	5,819
scrapped of inventories	7,110	-	7,110	-
	<u>\$ 395,201</u>	<u>\$ 537,603</u>	<u>\$ 718,969</u>	<u>\$ 1,083,343</u>

11. SUBSIDIARIES

Subsidiaries included in consolidated financial statements are shown below:

<u>Investor</u>	<u>Investee</u>	<u>Nature of Activities</u>	<u>Proportion of Ownership</u>			<u>Remark</u>
			<u>June 30, 2023</u>	<u>Dec. 31 2022</u>	<u>June 30, 2022</u>	
Sonix Technology Co., Ltd.	Sonix Technology Ltd.	General Investment	100.00	100.00	100.00	note
	Jian Mou Investment Corporation	General Investment	100.00	100.00	100.00	note
	Sonix Technology K.K.	Engaged in the business of computer system integration and technical consulting services, etc.	100.00	100.00	100.00	note
Sonix Technology Ltd.	Sonix Holding	General Investment	100.00	100.00	100.00	note
Sonix Holding	Sonix Technology (Chengdu) Co., Ltd.	Engaged in the business of computer system integration and technical consulting services, etc.	100.00	100.00	100.00	note
	Sonix Technology (Shenzhen) Co., Ltd	Engaged in the business of computer system integration and technical consulting services, etc.	100.00	100.00	100.00	note

Note: Except for Sonix Technology (Shenzhen) Co., Ltd., Sonix Technology Ltd. and Sonix Holding , for the Six Months Ended June 30, 2023 and 2022 were important subsidiaries, financial statements have been reviewed, The rest are non-significant subsidiaries, and their financial statements for the period from January 1 to June 30, 2023 and 2022, have not been reviewed.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in associates

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Associate that is not individually material</u>			
Unlisted shares			
Paradigm Venture Capital Corporation.	<u>\$ 5,148</u>	<u>\$ 5,209</u>	<u>\$ 6,669</u>

The shares of profit or loss and other comprehensive income of the affiliates using the equity method, their financial statements have not been reviewed.

13. PROPERTY, PLANT AND EQUIPMENT

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Own Land	\$ 110,984	\$ 110,984	\$ 110,984
Buildings	515,593	536,883	553,225
Office equipment	37,482	43,431	45,719
Other Equipment	<u>17,880</u>	<u>17,339</u>	<u>11,780</u>
	<u>\$ 681,939</u>	<u>\$ 708,637</u>	<u>\$ 721,708</u>

Except for the recognition of depreciation expenses, the property, plant and equipment real estate of the Group did not undergo any major additions, disposals or impairments from January 1 to June 30, 2023 and 2022.

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

Buildings	
Main building	20 - 50 years
Renovation equipment	2 - 20 years
Office equipment	2 - 5 years
Other Equipment	2 - 5 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 24.

14. INVESTMENT PROPERTY

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Land	\$ 77,732	\$ 77,732	\$ 77,732
Buildings	<u>41,712</u>	<u>43,187</u>	<u>44,536</u>
	<u>\$ 119,444</u>	<u>\$ 120,919</u>	<u>\$ 122,268</u>

The maturity analysis of lease payments receivable under operating leases of investment properties as 2023 and 2022 was as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Year 1	\$ 5,813	\$ 8,124
Year 2	4,796	817
Year 3	<u>2,929</u>	<u>-</u>
	<u>\$ 13,538</u>	<u>\$ 8,941</u>

Except for the recognition of depreciation expenses, the investment property real estate of the Group did not undergo any major additions, disposals or impairments from January 1 to June 30, 2023 and 2022.

The investment properties are depreciated using the straight-line method over 20 and 50 years.

The determination of fair value was performed by independent qualified professional valuers, and the fair value was measured by using Level 3 inputs on January 4, 2023. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. Since there is no significant change in the real estate transaction price in this area, there should be no significant difference between the assessed fair value on June 30, 2023 and the aforementioned fair value assessed by an independent appraiser.

15. INTANGIBLE ASSETS

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Computer software	\$ 9,960	\$ 10,706	\$ 13,032
Patents	<u>118,232</u>	<u>104,876</u>	<u>81,981</u>
	<u>\$ 128,192</u>	<u>\$ 115,582</u>	<u>\$ 95,013</u>

Except for the recognition of amortized expenses, the Intangible assets of the group did not undergo any major additions, disposals or impairments from January 1 to June 30, 2023 and 2022. Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1 - 10 years
Patents	1 - 10 years

16. OTHER PAYABLES

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Dividends payables	\$ 419,693	\$ -	\$ 1,175,139
Payables for salaries or bonuses	202,742	207,597	441,131
Payables for professional service fees	1,695	4,887	4,914
Payables for insurance	2,792	2,999	4,567
Others	<u>19,394</u>	<u>28,164</u>	<u>16,983</u>
	<u>\$ 646,316</u>	<u>\$ 243,647</u>	<u>\$1,642,734</u>

17. RETIREMENT BENEFIT PLANS

For the three months ended and six months ended June 30, 2023 and 2022, the pension expenses of defined benefit plans were 82 thousand, 64 thousand, 164 thousand and 128 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2022 and 2021, respectively.

18. EQUITY

a. Share capital

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Number of shares authorized (in thousands)	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Shares authorized	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
Number of shares issued and fully paid (in thousands)	<u>167,877</u>	<u>167,877</u>	<u>167,877</u>
Shares issued	<u>\$ 1,678,770</u>	<u>\$ 1,678,770</u>	<u>\$ 1,678,770</u>

b. Capital surplus

There was no change in the balance of each category of capital surplus in June 30, 2023 and 2022.

Any 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 once a year).

c. Retained earnings and dividend policy

Under the dividends policy as set forth 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 distribution of dividends and bonuses to shareholders. For the policies on distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 19.g.

The Company distributes share dividends and cash dividends after taking into account its future business needs and long-term financial plan and provided that the ratio for share dividend shall not exceed 50% of

the total distribution. The distribution of profits may also be made by way of share or cash dividends. The appropriation for cash dividend should not be less than 10% of the annual dividends distributed.

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

When the company sets aside the special reserve for other equity deductions accumulated in the previous period, it only sets aside the Unappropriated earnings for the previous period.

The appropriations of earnings for 2022 and 2021 had been approved in the meetings of the shareholders of Sonix held on June 16, 2023 and June 21, 2022, respectively. The appropriations and dividends per share were as follows:

	<u>2022</u>	<u>2021</u>
Legal reserve	\$ 58,481	\$ 146,419
Special reserve	\$ 65,787	\$ -
Cash dividends	\$ 419,693	\$ 1,175,139
Cash dividends per share (NT\$)	\$ 2.5	\$ 7

19. NET PROFIT

a. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Rental income				
Investment properties	\$ 2,324	\$ 1,930	\$ 4,368	\$ 3,197
Dividends	6,571	29,572	6,572	29,572
Others	1,289	3,374	2,731	3,949
	<u>\$ 10,184</u>	<u>\$ 34,876</u>	<u>\$ 13,671</u>	<u>\$ 36,718</u>

b. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Fair value changes of financial assets				
Financial assets designated as at FVTPL	\$ 866	(\$ 4,538)	\$ 1,414	(\$ 6,731)
Net foreign exchange gains	9,702	34,054	10,950	69,899
Loss on disposal and scrapped of property, plant and equipment	(16)	-	(16)	-
Others	(53)	(1,312)	(1,456)	(1,627)
	<u>\$ 10,499</u>	<u>\$ 28,204</u>	<u>\$ 10,892</u>	<u>\$ 61,541</u>

c. Interest revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Bank deposits	\$ 4,466	\$ 3,025	\$ 6,555	\$ 4,312
Financial assets measured at amortized cost	803	981	1,548	1,752
	<u>\$ 5,269</u>	<u>\$ 4,006</u>	<u>\$ 8,103</u>	<u>\$ 6,064</u>

d. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Property, plant and equipment	\$ 16,643	\$ 14,716	\$ 33,701	\$ 29,633
Investment properties	653	660	1,312	1,316
Intangible assets	4,984	3,818	9,488	7,700
	<u>\$ 22,280</u>	<u>\$ 19,194</u>	<u>\$ 44,501</u>	<u>\$ 38,649</u>
An analysis of depreciation by function				
Operating costs	\$ 1,424	\$ 713	\$ 2,960	\$ 2,098
Operating expenses	15,219	14,003	30,741	27,535
Non-operating income and expenses (Note)	653	660	1,312	1,316
	<u>\$ 17,296</u>	<u>\$ 15,376</u>	<u>\$ 35,013</u>	<u>\$ 30,949</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 4,984</u>	<u>\$ 3,818</u>	<u>\$ 9,488</u>	<u>\$ 7,700</u>

Note: The depreciation expense above includes rent revenue and other expenditures in non-operating income and expenses.

e. Depreciation expenses directly related to investment properties

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Direct depreciation expense from investment properties generating rental income	\$ 606	\$ 517	\$ 1,121	\$ 860
Direct depreciation expense from investment properties not generating rental income	47	143	191	456
	<u>\$ 653</u>	<u>\$ 660</u>	<u>\$ 1,312</u>	<u>\$ 1,316</u>

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Post-employment benefits (Note 17)				
Defined contribution plans	\$ 8,084	\$ 8,036	\$ 16,561	\$ 16,219
Defined benefit plans	<u>82</u>	<u>64</u>	<u>164</u>	<u>128</u>
	8,166	8,100	16,725	16,347
Other employee benefits	<u>171,832</u>	<u>206,063</u>	<u>316,993</u>	<u>389,185</u>
Total employee benefits expense	<u>\$ 179,998</u>	<u>\$ 214,163</u>	<u>\$ 333,718</u>	<u>\$ 405,532</u>
An analysis of employee benefits expense by function				
Operating expenses	<u>\$ 179,998</u>	<u>\$ 214,163</u>	<u>\$ 333,718</u>	<u>\$ 405,532</u>

g. Compensation of employees' and the remuneration of directors

The Company accrued compensation of employees and remuneration of directors and supervisors at rates of no less than 10% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. For the Six Months Ended June 30, 2023 and 2022, the estimated employees' compensation and the remuneration of directors, are as follows:

Accrual rate

	For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>
Compensation of employees	20.16%	14.43%
Remuneration of directors	1.75%	1.27%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Compensation of employees	<u>\$ 15,205</u>	<u>\$ 51,020</u>	<u>\$ 17,037</u>	<u>\$ 94,600</u>
Remuneration of directors	<u>\$ 1,323</u>	<u>\$ 4,530</u>	<u>\$ 1,482</u>	<u>\$ 8,320</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 appropriations of employees' compensation and remuneration of directors for 2022 and 2021 that were resolved by the board of directors on February 24, 2023 and February 23, 2022, respectively, areas shown below:

	2022		2021	
	<u>Cash</u>	<u>Stock</u>	<u>Cash</u>	<u>Stock</u>
Employees' compensation	\$ 118,420	\$ -	\$ 259,000	\$ -
Remuneration of directors	10,000	-	24,000	-

There is no difference between the actual amounts of the employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2022 and 2021.

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

h. Gains or losses on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
foreign exchange gains	\$ 9,207	\$ 34,054	\$ 12,827	\$ 69,899
foreign exchange losses	<u>495</u>	<u>-</u>	<u>(1,876)</u>	<u>-</u>
	<u>\$ 9,702</u>	<u>\$ 34,054</u>	<u>\$ 10,951</u>	<u>\$ 69,899</u>

20. INCOME TAX

a. I Income tax recognized in profit or loss

Major components of tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current Income tax				
In respect of the current period	\$ 27,147	\$ 61,918	\$ 32,748	\$ 121,203
Changes in estimate for prior periods	<u>(31,433)</u> <u>(4,286)</u>	<u>(27,759)</u> <u>34,159</u>	<u>(31,433)</u> <u>1,315</u>	<u>(27,759)</u> <u>93,444</u>
Deferred income tax				
In respect of the current period	<u>(14,791)</u>	<u>(4,165)</u>	<u>(18,088)</u>	<u>(9,446)</u>
No tax deduction for foreign income	<u>192</u>	<u>576</u>	<u>384</u>	<u>1,080</u>
	<u>(14,599)</u>	<u>(3,859)</u>	<u>(17,704)</u>	<u>(8,366)</u>
Income tax expense recognized in profit or loss	<u>\$(18,885)</u>	<u>\$30,570</u>	<u>\$(16,389)</u>	<u>\$85,078</u>

b. The state of income tax assessment

The Company and its subsidiaries had their income taxes examined by the tax authorities at the following years:

	<u>As of the year of assessment</u>
The Company	2020
Jian Mou Investment Corporation.	2021
Sonix Technology (Chengdu) Co., Ltd.	2021
Sonix Technology (Shenzhen) Co., Ltd.	2021

21. EARNINGS PER SHARE

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

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit for the period attributable to owners of the Company	\$ <u>74,464</u>	\$ <u>250,154</u>	\$ <u>83,432</u>	\$ <u>463,613</u>

Number of shares

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Weighted average number of ordinary shares in computation of basic earnings per share	167,877	167,877	167,877	167,877
Effects of potentially dilutive ordinary shares Compensation of employees or bonus issue to employees	<u>353</u>	<u>1,736</u>	<u>1,002</u>	<u>2,652</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>168,230</u>	<u>169,613</u>	<u>168,879</u>	<u>170,529</u>

Unit: In Thousand Shares

The Group may settle compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation or bonuses 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.

22. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments measured at fair value on a recurring basis

Fair value Hierarchy

June 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Beneficiary certificates	\$ <u>57,166</u>	\$ -	\$ -	\$ <u>57,166</u>
Financial assets at FVTOCI				
Investment in equity instruments				
- Domestic listed shares	\$ 467,888	\$ -	\$ -	\$ 467,888
- Domestic unlisted shares	-	-	34	34

Total	\$ 467,888	\$ -	\$ 34	\$ 467,922
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December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Beneficiary certificates	\$ 55,753	\$ -	\$ -	\$ 55,753
Financial assets at FVTOCI				
Investment in equity instruments				
- Domestic listed shares	\$ 283,887	\$ -	\$ -	\$ 283,887
- Domestic unlisted shares	-	-	34	34
Total	\$ 283,887	\$ -	\$ 34	\$ 283,921

June 30, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Beneficiary certificates	\$ 174,445	\$ -	\$ -	\$ 174,445
Financial assets at FVTOCI				
Investment in equity instruments				
- Domestic listed shares	\$ 345,002	\$ -	\$ -	\$ 345,002
- Domestic unlisted shares	-	-	34	34
Total	\$ 345,002	\$ -	\$ 34	\$ 345,036

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

b. Categories of financial instruments

	<u>June 30</u> <u>2023</u>	<u>December 31</u> <u>2022</u>	<u>March 31</u> <u>2022</u>
<u>Financial assets</u>			
Financial assets at FVTPL			
Beneficiary certificates	\$ 57,166	\$ 55,753	\$ 174,445
Financial assets at amortized cost (Note 1)	1,890,653	1,539,826	2,844,926
Financial assets at FVTOCI			
Equity instruments	467,922	283,921	345,036
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	682,159	253,550	1,530,050

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, refundable deposits.

Note 2: The balance includes financial liabilities measured at amortized cost, which comprise short-term bills payable and trade and other payables (excluding employment benefits), guarantee deposits.

c. Financial risk management objectives and policies

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

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 market price risk (see (c) below).

There have been no changes to the Group's exposure to market risk or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Company and Sonix Technology (Shenzhen) Co., Ltd. have foreign currency sales and purchases, which exposed the Group to foreign currency risk. Approximately 51% of the Group's sales is denominated in currencies other than the functional currency of the entity in the Group making the sale, whilst almost 33% of costs is denominated in currencies other than the functional currency of the entity in the Group.

It is the Group's policy to negotiate the terms of hedge derivatives to match the terms of hedged items to maximize the hedging effectiveness. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 25.

Sensitivity analysis

The Group was mainly exposed to the USD and RMB.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar and RMB (the functional currencies) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar and RMB strengthens 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar and RMB against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	USD IMPACT		EUR IMPACT		RMB IMPACT	
	For the six months ended 2023	For the six months ended 2022	For the six months ended 2023	For the six months ended 2022	For the six months ended 2023	For the six months ended 2022
Profit or loss	\$ 4,326 (i)	\$ 6,444 (i)	\$ 252 (ii)	\$ 234 (ii)	\$ 742 (iii)	\$570(iii)

i) This was mainly attributable to the exposure outstanding on USD receivables and payables, which were not hedged at the end of the reporting period, and the changes in financial assets are measured at FVTPL.

ii) This was mainly the result of the changes in the financial assets are measured at amortized cost.

iii) The result was mainly attributable to the exposure on outstanding accounts receivable in RMB that were not hedged at the end of the 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:

	June 30 2023	December 31 2022	June 30 2022
Fair value interest rate risk			
– Financial assets	\$ 530,724	\$ 500,470	\$ 819,114
Cash flow interest rate risk			
– Financial assets	1,021,051	793,158	1,504,445

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate assets, the analysis was prepared assuming the amount of each asset outstanding at the end of the reporting period was outstanding for the whole year. 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the three Months Ended and for the Six Months Ended June 30, 2023 would have increased/decreased by \$3,175 thousand and \$5,105 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank savings and financial assets at amortized cost.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the three Months Ended and for the Six Months Ended June 30, 2022 would have increased/decreased by \$4,627 thousand and \$7,522 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank savings and financial assets at amortized cost.

c) Other price risk

The Group was exposed to price risk through its investments in beneficiary certificates and equity securities. The investments are not held for trading purposes. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit or loss for the Six Months Ended June 30, 2023 and 2022 would have increased/decreased by \$572 thousand and \$1,744 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the Six Months Ended June 30, 2023 and 2022 would have increased/decreased by \$4,679 thousand and \$3,450 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group only deals with creditworthy counterparties of financial institutions and entities that are rated the equivalent of investment grade and above. Therefore, there is no expected great credit risk.

In order to minimize credit risk, 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 allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

The Group's concentration of credit risk of 56%, 41% and 53% of total trade receivables as of June 30, 2023, December 31, and June 30, 2022, respectively, was related to the Group's largest customer and the five largest customers within the business segment. The rest of the credit risk concentration of trade receivables are not comparatively significant.

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 working capital of the Group is sufficient for its liabilities, and hence there's no liquidity risk for not fulfilling contractual obligations due to a failure to raise funds.

23. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and relationships

<u>Related parties</u>	<u>Relationship with the Company</u>
Senno Technology Inc.	Related party in substance
Digit Mobile Inc.	Related party in substance
New Pocket Device Corp.	Related party in substance

b. Operating transactions

<u>Line Item</u>	<u>Related Party Category</u>	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Sales	Physical relationship	\$ <u>339</u>	\$ <u>3,872</u>	\$ <u>981</u>	\$ <u>3,997</u>
Operating expenses					
Miscellaneous expenses	Physical relationship	\$ <u>137</u>	\$ <u>126</u>	\$ <u>137</u>	\$ <u>162</u>
Non-operating revenue	Physical relationship	\$ <u>-</u>	\$ <u>2</u>	\$ <u>2</u>	\$ <u>2</u>

The sales prices and payment terms for related parties are similar with those of sales to third parties.

c. Receivables from related parties

<u>Line Item</u>	<u>Related Party Category</u>	<u>June 30,2023</u>	<u>Dec. 31,2022</u>	<u>June 30,2022</u>
Account receivable	Physical relationship	\$ 100	\$ -	\$ 3,722

The outstanding trade receivables from related parties are unsecured. For the Six Months Ended June 30, 2023 and 2022, no impairment loss was recognized for trade receivables from related parties.

d. Compensation of key management personnel

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 6,616	\$ 11,362	\$ 9,675	\$ 20,049
Post-employment benefits	50	45	100	90
	<u>\$ 6,666</u>	<u>\$ 11,407</u>	<u>\$ 9,775</u>	<u>\$ 20,139</u>

The remuneration of directors and key executives was determined by the remuneration committee, was based on the performance of individuals and market trends.

24. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for short-term bank borrowings, purchases and tariffs of imported goods:

	<u>June 30 2023</u>	<u>December 31 2022</u>	<u>June 30 2022</u>
Property, plant and equipment	\$ 204,752	\$ 206,523	\$ 208,293
Pledged deposits(classified as financial assets at amortized cost - current)	2,191	52,178	52,169
	<u>\$ 206,943</u>	<u>\$ 258,701</u>	<u>\$ 260,462</u>

25. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30,2023

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 14,569	31.09(USD: NTD)	\$ 452,950
USD	2,682	7.2258(USD: RMB)	83,383
EUR	751	33.61(EUR: NTD)	25,241
RMB	17,738	4.257(RMB: RMB)	75,511
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	3,327	31.19(USD: NTD)	103,769
RMB	304	4.307(RMB: RMB)	1,309

December 31, 2022

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 14,355	30.66(USD: NTD)	\$ 440,124
USD	2,004	6.9646(USD: RMB)	61,443
EUR	750	32.52(EUR: NTD)	24,390
RMB	29,662	4.383(RMB: NTD)	130,009
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	3,194	30.76(USD: NTD)	98,247

June 30, 2022

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 26,240	29.67(USD: NTD)	\$ 778,541
USD	2,123	6.7114(USD: RMB)	62,989
EUR	760	30.85(EUR: NTD)	23,446
RMB	12,923	4.414(RMB: RMB)	57,042
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	6,621	29.77(USD: NTD)	197,107

The Group is mainly exposed to the USD and RMB. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant (realized and unrealized) foreign exchange gains (losses) were as follows:

	<u>For the three Months Ended June 30,2023</u>		<u>For the three Months Ended June 30,2022</u>	
Functional currency	Functional currency exchanged to presenting currency	Net exchange gain (loss)	Functional currency exchanged to presenting currency	Net exchange loss
NTD	1 (NTD: NTD)	\$ 5,790	1 (NTD: NTD)	\$ 30,868
RMB	4.418(RMB: NTD)	3,912	4.434 (RMB: NTD)	3,186
		<u>\$ 9,702</u>		<u>\$ 34,054</u>
	<u>For the six Months Ended,2023</u>		<u>For the six Months Ended,2022</u>	
Functional currency	Functional currency exchanged to presenting currency	Net exchange gain (loss)	Functional currency exchanged to presenting currency	Net exchange loss
NTD	1 (NTD: NTD)	\$ 7,830	1 (NTD: NTD)	\$ 66,879
RMB	4.411(RMB: NTD)	3,121	4.432 (RMB: NTD)	3,020
		<u>\$ 10,951</u>		<u>\$ 69,899</u>

26. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others: None
- 2) Endorsements/guarantees provided: None
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures):
Table 1
- 4) Marketable securities acquired and 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 of at least NT\$100 million or 20% of the paid-in capital: Table 2
 - 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 3
- b. Information on investees: Table 4
- 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 investments in the mainland China area: Table 5
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 2.3.5
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: None

27. SEGMENT INFORMATION

The operating decision makers of the merged company use product-specific information to allocate resources and evaluate departmental performance. Each product has similar economic characteristics and is sold through a unified and centralized sales method. Therefore, the merged company is a single product. The operating department reports, and the departmental information provided by the combined company to the operating decision makers for review is based on the same measurement basis as the financial statements. Therefore, the departmental revenue and operating results that should be reported from January 1 to June 30, 2023 and 2022 can be referred to consolidated income statement from January 1 to June 30, 2023 and 2022.

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2023

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Company	Financial Statement Account	June 30, 2023				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Net Worth/Fair Value	
Sonix Technology Co., Ltd.	<u>Stock</u>							
	Ours Technology Inc.	—	Financial assets at fair value through other comprehensive income - non-current	54	\$ 7	-	\$ 7	Note
	Muchip Corporation.	—	Financial assets at fair value through other comprehensive income - non-current	14,180	-	-	-	Note
	Champion Microelectronic Corp.	—	Financial assets at fair value through other comprehensive income - non-current	6,571,472	467,888	8.22	467,888	Note
	<u>Beneficiary certificates</u>							
	Franklin Templeton - Global Total Return Fund	—	Financial assets at fair value through profit or loss - current	29,951.693	21,948	-	21,948	Note
Jian Mou Investment Corporation.	<u>Stock</u>							
	Ours Technology Inc.	—	Financial assets at fair value through other comprehensive income - non-current	115	27	-	27	Note
	<u>Beneficiary certificate</u>							
	Jih SunAsian High Yield Bond Fund A(TWD)	—	Financial assets at fair value through profit or loss - current	1,307,168.12	11,570	-	11,570	Note
	Jih Sun Target Income Fund of Funds(TWD)	—	Financial assets at fair value through profit or loss - current	1,500,000	14,025	-	14,025	Note
	Nomura Fallen Angel HY Bd N A TWD	—	Financial assets at fair value through profit or loss - current	1,007,650	9,623	-	9,623	Note

Note: The amount is measured at the fair value of net assets as of June 30, 2023.

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2023

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

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Term	Unit Price	Payment Term	Ending Balance	% to Total	
Sonix Technology Co., Ltd.	Sonix Technology (Shenzhen) Co., Ltd.	Sub-sub-subsidiary	Sales	(\$ 304,338)	(32%)	30days	\$ -	—	\$ 68,244	22%	
Sonix Technology (Shenzhen) Co., Ltd.	Sonix Technology Co., Ltd.	Parent company	Purchases	304,338	97%	30days	-	—	(68,244)	(94%)	

Note: All the transactions had been eliminated when preparing of the consolidated financial statements.

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2023

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

No.	Company Name	Company Name	Nature of Relationship (Note 1)	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets
				Financial Statement Item	Amount	Terms	
0	Sonix Technology Co., Ltd.	Sonix Technology (Shenzhen) Co., Ltd.	1	Accounts Receivable	\$ 68,244	No Significant Difference from Non-Related Party	2
		Sonix Technology (Shenzhen) Co., Ltd.	1	Sales	304,338	No Significant Difference from Non-Related Party	25

Note 1: 1 represents parent to subsidiary 、 2 represents subsidiary to parent 、 3 represents subsidiary to subsidiary.

Note 2: All the transactions had been eliminated when preparing of the consolidated financial statements.

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2023

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

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2023			Net Gain (Loss) of the Investee	Share of Gain (Loss)	Remarks
				June 30,2023	December 31,2022	Shares	%	Carrying Value			
Sonix Technology Co., Ltd.	Sonix Technology Ltd.	P.O. Box 3321, RoadTown, Tortola, The British Virgin Islands	General Investment	\$ 1,031,999	\$ 1,031,999	33,010,000	100	\$1,387,883	(\$ 113,462)	(\$ 113,462)	Subsidiary
	Jian Mou Investment Corporation.	Hsinchu county	General Investment	155,000	155,000	15,500,000	100	97,716	(5,481)	(5,481)	Subsidiary
	Sonix Technology K.K.	Tokyo Metropolitan	Engaged in the business of computer system integration and technical consulting services, etc.	31,792	31,792	8,000	100	11,791	(315)	(315)	Subsidiary
Jian Mou Investment Corporation.	Paradigm Venture Capital Corporation.	Taipei city	General Investment	43,948	43,948	459,960	20.98	6,669	(208)	(44)	
Sonix Technology Ltd.	Sonix Holding	P.O. Box 438, RoadTown, Tortola, The British Virgin Islands	General Investment	997,099	997,099	32,010,000	100	1,352,663	(113,419)	(113,419)	Second-tier subsidiary

Note 1: Except for the Sonix Technology Co., Ltd. & Sonix Holding Group Co., Ltd., calculated based on the investee's financial statements unreviewed and the Company's percentage of ownership during the same period.

Note 2: With the except Paradigm Venture Capital Corporation., Gains or losses on investments between investees, equity-method investments in investors and net equity in investees are eliminated when the consolidated financial statements are prepared.

SONIX TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (US\$ in Thousands)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (US\$ in Thousands)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2023 (US\$ in Thousands)	Net Income (Loss) of the Investee (US\$ in Thousands)	Ownership of Direct or Indirect Investment	Investment Income (Losses) (US\$ in Thousands)(Note 1)	Carrying Amount as of June 30,2023 (US\$ in Thousands) (Note 1)	Accumulated Repatriation of Investment Income as of June 30, 2023	Note
					Outward	Inward							
Sonix Technology (Chengdu) Co., Ltd.	Engaged in the business of computer system integration and technical consulting services, etc.	\$ 311,400 (US\$ 10,000)	Invest in Mainland China through companies incorporated in third regions.	\$ 311,400 (US \$10,000)	\$ -	\$ -	\$ 311,400 (US \$10,000)	\$ 2,446 (US \$80)	100%	\$ 2,446 (US \$80)	\$ 112,072 (US \$3,599)	\$ -	
Sonix Technology (Shenzhen) Co., Ltd.	Engaged in the business of computer system integration and technical consulting services, etc.	685,080 (US\$ 22,000)	Invest in Mainland China through companies incorporated in third regions.	685,080 (US \$22,000)	-	-	685,080 (US \$22,000)	(101,940) (US \$3,337)	100%	(101,940) (US \$3,337)	996,107 (US \$31,988)	-	

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2023 (US\$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousands)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$996,480 (US\$32,000)	\$1,043,190 (US\$33,500)	\$2,054,133

Note 1: Except for the Sonix Technology (Shenzhen) Co., Ltd., calculated based on the investee's financial statements unreviewed and the Company's percentage of ownership during the same period.

Note 2: The investment profit and loss was recognized based on the average exchange rate from January 1, 2023 to June 30, 2023; the other accounts were all based on prevailing exchange rate as of June 30, 2023.

Note 3: The profit and loss of investments between reinvested companies, investments accounted for using the equity method, and the equity of investee companies were all eliminated during the preparation of the consolidated financial statements.