

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 as of September 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the 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

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of 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 give a true and fair view of the consolidated financial position of Silergy Corp. and its subsidiaries as of September 30, 2022 and 2021, its consolidated financial performance for the three months ended September 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2022 and 2021 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.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 10, 2022

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

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 15,991,459	45	\$ 11,614,236	44	\$ 9,853,503	41
Financial assets at amortized cost - current	1,117,989	3	1,246,936	5	1,254,594	5
Accounts receivable, net	2,370,598	7	1,919,874	7	1,991,616	8
Other receivables	51,937	-	54,909	-	34,070	-
Inventories	5,006,202	14	2,784,411	10	2,476,641	10
Prepayments	545,438	2	446,083	2	215,084	1
Total current assets	25,083,623	71	18,066,449	68	15,825,508	65
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	3,602,617	10	3,004,196	11	2,568,385	11
Investments accounted for using equity method	989,937	3	854,729	3	677,249	3
Property, plant and equipment	1,788,899	5	1,471,287	6	1,406,989	6
Right-of-use assets	128,750	-	100,924	1	109,229	-
Investment properties	614,455	2	632,625	2	610,055	3
Goodwill	1,552,018	5	1,370,260	5	1,785,570	7
Other intangible assets	734,614	2	737,355	3	779,286	3
Deferred tax assets	136,470	1	54,150	-	46,279	-
Refundable deposits	404,956	1	331,668	1	332,510	1
Net defined benefit assets - non-current	948	-	889	-	1,028	-
Long-term prepayments	132,298	-	18,609	-	221,671	1
Total non-current assets	10,085,962	29	8,576,692	32	8,538,251	35
TOTAL	\$ 35,169,585	100	\$ 26,643,141	100	\$ 24,363,759	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - current	\$ 17,098	-	\$ 21,929	-	\$ 16,418	-
Accounts payable	1,251,100	4	733,715	3	735,474	3
Accounts payable - related parties	8,342	-	7,784	-	4,997	-
Other payables	1,381,401	4	1,017,188	4	793,253	4
Current tax liabilities	367,528	1	466,678	2	278,684	1
Lease liabilities - current	53,118	-	46,191	-	49,104	-
Other current liabilities	31,510	-	49,299	-	25,352	-
Total current liabilities	3,110,097	9	2,342,784	9	1,903,282	8
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current	-	-	16,599	-	16,418	-
Deferred tax liabilities	14,378	-	19,420	-	16,207	-
Lease liabilities - non-current	53,091	-	33,091	-	38,682	-
Guarantee deposits	1,264,362	4	53,295	-	13,464	-
Total non-current liabilities	1,331,831	4	122,405	-	84,771	-
Total liabilities	4,441,928	13	2,465,189	9	1,988,053	8
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Common shares	952,050	2	943,567	4	938,656	4
Capital surplus	10,459,611	30	9,256,486	35	8,959,546	37
Retained earnings						
Legal reserve	996,568	3	996,568	4	996,568	4
Special reserve	1,461,963	4	1,129,475	4	1,129,475	4
Unappropriated earnings	16,203,606	46	13,184,448	49	11,863,315	49
Total retained earnings	18,662,137	53	15,310,491	57	13,989,358	57
Other equity						
Exchange differences on translating foreign operations	427,142	1	(1,461,963)	(6)	(1,530,390)	(6)
Unearned employee benefits	(421,324)	(1)	(315,207)	(1)	(397,459)	(2)
Total other equity	5,818	-	(1,777,170)	(7)	(1,927,849)	(8)
Total equity attributable to owners of the Company	30,079,616	85	23,733,374	89	21,959,711	90
NON-CONTROLLING INTERESTS	648,041	2	444,578	2	415,995	2
Total equity	30,727,657	87	24,177,952	91	22,375,706	92
TOTAL	\$ 35,169,585	100	\$ 26,643,141	100	\$ 24,363,759	100

SILERGY CORP.
(Incorporated in the Cayman Islands)
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 September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE, NET	\$ 5,991,037	100	\$ 5,913,889	100	\$ 18,812,769	100	\$ 15,352,023	100
OPERATING COSTS	<u>2,887,126</u>	<u>48</u>	<u>2,587,231</u>	<u>44</u>	<u>8,843,057</u>	<u>47</u>	<u>7,221,877</u>	<u>47</u>
GROSS PROFIT	<u>3,103,911</u>	<u>52</u>	<u>3,326,658</u>	<u>56</u>	<u>9,969,712</u>	<u>53</u>	<u>8,130,146</u>	<u>53</u>
OPERATING EXPENSES								
Selling and marketing expenses	305,650	5	251,598	4	882,194	5	703,497	4
General and administrative expenses	216,719	4	213,471	4	614,350	3	553,268	4
Research and development expenses	1,128,632	19	837,908	14	3,200,986	17	2,202,334	14
Expected credit loss (reversed)	<u>1,125</u>	<u>-</u>	<u>(743)</u>	<u>-</u>	<u>6,549</u>	<u>-</u>	<u>905</u>	<u>-</u>
Total operating expenses	<u>1,652,126</u>	<u>28</u>	<u>1,302,234</u>	<u>22</u>	<u>4,704,079</u>	<u>25</u>	<u>3,460,004</u>	<u>22</u>
OTHER OPERATING INCOME AND EXPENSES, NET	<u>4,060</u>	<u>-</u>	<u>4,140</u>	<u>-</u>	<u>12,475</u>	<u>-</u>	<u>12,525</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>1,455,845</u>	<u>24</u>	<u>2,028,564</u>	<u>34</u>	<u>5,278,108</u>	<u>28</u>	<u>4,682,667</u>	<u>31</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	100,709	2	16,807	-	197,848	1	49,698	-
Other income	66,293	1	26,791	1	227,912	1	139,950	1
Interest expenses	(488)	-	(314)	-	(856)	-	(795)	-
Gain on disposal of investments	-	-	7,716	-	-	-	7,716	-
Foreign exchange gain (loss), net	139,212	2	(1,747)	-	281,992	1	(27,320)	-
Share of (loss) gain of associates	(47,773)	(1)	255	-	(81,980)	-	(12,620)	-
(Loss) gain on financial instruments at fair value through profit or loss	(81,465)	(1)	-	-	(60,625)	-	53,233	-
Miscellaneous expenses	<u>(18,862)</u>	<u>-</u>	<u>(7,460)</u>	<u>-</u>	<u>(44,978)</u>	<u>-</u>	<u>(30,242)</u>	<u>-</u>
Total non-operating income and expenses	<u>157,626</u>	<u>3</u>	<u>42,048</u>	<u>1</u>	<u>519,313</u>	<u>3</u>	<u>179,620</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,613,471	27	2,070,612	35	5,797,421	31	4,862,287	32
INCOME TAX EXPENSE	<u>(123,062)</u>	<u>(2)</u>	<u>(170,848)</u>	<u>(3)</u>	<u>(500,399)</u>	<u>(3)</u>	<u>(433,038)</u>	<u>(3)</u>
NET PROFIT FOR THE PERIOD	<u>1,490,409</u>	<u>25</u>	<u>1,899,764</u>	<u>32</u>	<u>5,297,022</u>	<u>28</u>	<u>4,429,249</u>	<u>29</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Exchange differences arising from translation to the presentation currency	1,878,684	31	(14,811)	-	3,702,752	20	(441,647)	(3)

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SILERGY CORP.
(Incorporated in the Cayman Islands)
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 September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	\$ (932,771)	(15)	\$ (39,412)	(1)	\$ (1,698,840)	(9)	\$ 33,497	-
Share of the other comprehensive (loss) income of associates accounted for using equity method	(50,446)	(1)	(5,408)	-	(96,444)	(1)	775	-
Other comprehensive income (loss) for the period, net of income tax	895,467	15	(59,631)	(1)	1,907,468	10	(407,375)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 2,385,876</u>	<u>40</u>	<u>\$ 1,840,133</u>	<u>31</u>	<u>\$ 7,204,490</u>	<u>38</u>	<u>\$ 4,021,874</u>	<u>26</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 1,468,520	25	\$ 1,838,387	31	\$ 5,137,395	27	\$ 4,352,302	28
Non-controlling interests	21,889	-	61,377	1	159,627	1	76,947	1
	<u>\$ 1,490,409</u>	<u>25</u>	<u>\$ 1,899,764</u>	<u>32</u>	<u>\$ 5,297,022</u>	<u>28</u>	<u>\$ 4,429,249</u>	<u>29</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 2,356,134	39	\$ 1,780,680	30	\$ 7,026,500	37	\$ 3,951,387	26
Non-controlling interests	29,742	1	59,453	1	177,990	1	70,487	-
	<u>\$ 2,385,876</u>	<u>40</u>	<u>\$ 1,840,133</u>	<u>31</u>	<u>\$ 7,204,490</u>	<u>38</u>	<u>\$ 4,021,874</u>	<u>26</u>
EARNINGS PER SHARE								
Basic	<u>\$ 3.87</u>		<u>\$ 4.92</u>		<u>\$13.59</u>		<u>\$11.70</u>	
Diluted	<u>\$ 3.69</u>		<u>\$ 4.64</u>		<u>\$12.92</u>		<u>\$11.00</u>	

(Concluded)

SILERGY CORP.
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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company						Other Equity			Total	Non-controlling Interest	Total Equity
	Common Shares	Capital Surplus	Retained Earnings			Total Retained Earnings	Exchange Differences on Translating Foreign Operations	Unearned Employee Benefits	Total Other Equity			
			Legal Reserve	Special Reserve	Unappropriated Earnings							
BALANCE AT JANUARY 1, 2021	\$ 929,014	\$ 7,799,136	\$ 996,568	\$ 703,512	\$ 8,912,441	\$ 10,612,521	\$ (1,129,475)	\$ (180,211)	\$ (1,309,686)	\$ 18,030,985	\$ 319,619	\$ 18,350,604
Appropriation of the 2020 earnings	-	-	-	425,963	(425,963)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(425,963)	-	-	-	-	(425,963)	-	(425,963)
Cash dividends distributed by Silergy Corp.	-	-	-	-	(975,465)	(975,465)	-	-	-	(975,465)	-	(975,465)
	-	-	-	425,963	(1,401,428)	(975,465)	-	-	-	(975,465)	-	(975,465)
Change in percentage of ownership interests in subsidiaries	-	(25,889)	-	-	-	-	-	-	-	(25,889)	25,889	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	462	-	-	-	-	-	-	-	462	-	462
Recognition compensation cost of employee share options by Silergy Corp.	-	379,688	-	-	-	-	-	-	-	379,688	-	379,688
Net profit for the nine months ended September 30, 2021	-	-	-	-	4,352,302	4,352,302	-	-	-	4,352,302	76,947	4,429,249
Other comprehensive loss for the nine months ended September 30, 2021, net of income tax	-	-	-	-	-	-	(400,915)	-	(400,915)	(400,915)	(6,460)	(407,375)
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	4,352,302	4,352,302	(400,915)	-	(400,915)	3,951,387	70,487	4,021,874
Issue of common shares under employee share options	7,735	320,172	-	-	-	-	-	-	-	327,907	-	327,907
Issue of restricted shares of stock and recognition of related compensation cost	1,907	485,977	-	-	-	-	-	(217,248)	(217,248)	270,636	-	270,636
BALANCE AT SEPTEMBER 30, 2021	\$ 938,656	\$ 8,959,546	\$ 996,568	\$ 1,129,475	\$ 11,863,315	\$ 13,989,358	\$ (1,530,390)	\$ (397,459)	\$ (1,927,849)	\$ 21,959,711	\$ 415,995	\$ 22,375,706
BALANCE AT JANUARY 1, 2022	\$ 943,567	\$ 9,256,486	\$ 996,568	\$ 1,129,475	\$ 13,184,448	\$ 15,310,491	\$ (1,461,963)	\$ (315,207)	\$ (1,777,170)	\$ 23,733,374	\$ 444,578	\$ 24,177,952
Appropriation of the 2021 earnings	-	-	-	332,488	(332,488)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(332,488)	-	-	-	-	(332,488)	-	(332,488)
Cash dividends distributed by Silergy Corp.	-	-	-	-	(1,698,420)	(1,698,420)	-	-	-	(1,698,420)	-	(1,698,420)
	-	-	-	332,488	(2,030,908)	(1,698,420)	-	-	-	(1,698,420)	-	(1,698,420)
Change in percentage of ownership interests in subsidiaries	-	(8,218)	-	-	(17,255)	(17,255)	-	-	-	(25,473)	25,473	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	11,892	-	-	(70,074)	(70,074)	-	-	-	(58,182)	-	(58,182)
Recognition compensation cost of employee share options by Silergy Corp.	-	531,738	-	-	-	-	-	-	-	531,738	-	531,738
Net profit for the nine months ended September 30, 2022	-	-	-	-	5,137,395	5,137,395	-	-	-	5,137,395	159,627	5,297,022
Other comprehensive gain for the nine months ended September 30, 2022, net of income tax	-	-	-	-	-	-	1,889,105	-	1,889,105	1,889,105	18,363	1,907,468
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	5,137,395	5,137,395	1,889,105	-	1,889,105	7,026,500	177,990	7,204,490
Issue of common shares under employee share options	6,951	307,825	-	-	-	-	-	-	-	314,776	-	314,776
Issue of restricted shares of stock and recognition of related compensation cost	1,532	359,888	-	-	-	-	-	(106,117)	(106,117)	255,303	-	255,303
BALANCE AT SEPTEMBER 30, 2022	\$ 952,050	\$ 10,459,611	\$ 996,568	\$ 1,461,963	\$ 16,203,606	\$ 18,662,137	\$ 427,142	\$ (421,324)	\$ 5,818	\$ 30,079,616	\$ 648,041	\$ 30,727,657

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 5,797,421	\$ 4,862,287
Adjustments for:		
Expected credit loss on trade receivables	6,549	905
Net loss (gain) on financial instruments at fair value through profit or loss	60,625	(53,233)
Depreciation expenses	274,771	199,370
Amortization expenses	150,330	140,106
Interest income	(197,848)	(49,698)
Dividend income	(13,965)	(38,751)
Interest expenses	856	795
Compensation cost of employee share options	531,738	379,688
Compensation cost of restricted employee shares	255,303	270,636
Share of loss of associates	81,980	12,620
Loss on disposal of property, plant and equipment	389	46
Property, plant and equipment transferred to expenses	-	15
Gains on disposal of intangible assets	(12,864)	(12,571)
Gain on disposal of investments	-	(7,716)
Write-down of inventories	201,524	83,245
Unrealized gain on foreign currency exchange	(7,690)	(1,125)
Gain on lease modification	(15)	-
Changes in operating assets and liabilities		
Increase in accounts receivable	(443,845)	(974,478)
Decrease in other receivables	22,213	33,708
Increase in inventories	(2,475,400)	(235,903)
Increase in prepayments	(66,342)	(61,844)
Increase in defined benefit assets - non-current	(59)	(33)
Increase in accounts payable	513,618	118,979
Increase in accounts payable - related parties	558	3,277
Increase in other payables	130,148	129,160
Decrease in other current liabilities	(17,789)	(20,998)
Increase in guarantee deposits	<u>1,245,517</u>	<u>-</u>
Cash generated from operations	6,037,723	4,778,487
Interest received	176,272	55,343
Interest paid	(856)	(795)
Income tax paid	<u>(752,716)</u>	<u>(201,796)</u>
Net cash generated from operating activities	<u>5,460,423</u>	<u>4,631,239</u>

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SILERGY CORP.
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CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	\$ (1,117,989)	\$ (1,024,898)
Disposal of financial assets measured at amortized cost	1,246,936	-
Purchase of financial assets at fair value through profit or loss	(538,199)	(915,952)
Acquisition of investments accounted for using equity method	(239,005)	(177,181)
Proceeds from sale of investments accounted for using equity method	-	27,955
Increase in prepayments for investments	-	(220,000)
Acquisition of property, plant and equipment	(250,262)	(396,935)
Proceeds from disposal of property, plant and equipment	331	5
Acquisition of intangible assets	(54,551)	(116,990)
Increase in prepayments for equipment	(122,904)	(199)
Cash dividends received	13,965	38,751
Increase in refundable deposits	<u>(73,288)</u>	<u>(278,493)</u>
Net cash used in investing activities	<u>(1,134,966)</u>	<u>(3,063,937)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in guarantee deposits	(34,450)	3,369
Repayment of the principal portion of lease liabilities	(44,758)	(38,496)
Cash dividends paid	(1,692,199)	(971,321)
Proceeds from exercise of employee share options	<u>314,776</u>	<u>327,907</u>
Net cash used in financing activities	<u>(1,456,631)</u>	<u>(678,541)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,508,397</u>	<u>(283,404)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,377,223	605,357
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>11,614,236</u>	<u>9,248,146</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 15,991,459</u>	<u>\$ 9,853,503</u>

(Concluded)