

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 March 31, 2023 and 2022, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including 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 the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of Silergy Corp. and its subsidiaries as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 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.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 11, 2023

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

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 16,720,316	47	\$ 14,943,680	42	\$ 14,077,911	47
Financial assets at amortized cost - current	1,329,365	4	2,425,193	7	1,127,288	4
Accounts receivable, net	1,411,402	4	1,617,688	5	2,251,352	8
Other receivables	114,879	-	87,226	-	67,680	-
Inventories	4,637,642	13	5,111,128	15	3,118,208	10
Prepayments	447,957	1	353,981	1	434,732	1
Total current assets	<u>24,661,561</u>	<u>69</u>	<u>24,538,896</u>	<u>70</u>	<u>21,077,171</u>	<u>70</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	3,984,257	11	3,729,859	11	3,479,128	12
Investments accounted for using equity method	892,123	3	941,434	3	863,703	3
Property, plant and equipment	1,851,669	5	1,862,613	5	1,500,885	5
Right-of-use assets	615,144	2	621,941	2	96,507	-
Investment properties	595,336	2	603,982	2	653,283	2
Goodwill	1,493,999	4	1,504,441	4	1,417,796	5
Other intangible assets	659,866	2	665,000	2	722,657	2
Deferred tax assets	219,503	1	164,883	-	63,073	-
Refundable deposits	442,234	1	425,895	1	344,937	1
Long-term accounts receivable, net	168,386	-	167,559	-	-	-
Net defined benefit assets - non-current	-	-	-	-	902	-
Long-term prepayments	26,593	-	47,669	-	45,568	-
Total non-current assets	<u>10,949,110</u>	<u>31</u>	<u>10,735,276</u>	<u>30</u>	<u>9,188,439</u>	<u>30</u>
TOTAL	<u>\$ 35,610,671</u>	<u>100</u>	<u>\$ 35,274,172</u>	<u>100</u>	<u>\$ 30,265,610</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss -current	\$ -	-	\$ 16,858	-	\$ -	-
Notes and accounts payable	508,646	2	601,448	2	735,887	2
Accounts payable - related parties	3,503	-	4,694	-	4,470	-
Other payables	2,950,756	8	1,344,035	4	2,894,098	10
Current tax liabilities	363,854	1	360,825	1	595,444	2
Lease liabilities - current	46,909	-	51,376	-	44,769	-
Other current liabilities	26,643	-	35,847	-	38,212	-
Total current liabilities	<u>3,900,311</u>	<u>11</u>	<u>2,415,083</u>	<u>7</u>	<u>4,312,880</u>	<u>14</u>
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current	-	-	-	-	17,240	-
Deferred tax liabilities	34,287	-	19,709	-	19,379	-
Lease liabilities - non-current	44,666	-	52,484	-	29,238	-
Net defined benefit liabilities - non-current	1,474	-	1,363	-	-	-
Guarantee deposits	1,212,598	4	1,293,469	4	449,557	2
Other non-current liabilities	10	-	10	-	-	-
Total non-current liabilities	<u>1,293,035</u>	<u>4</u>	<u>1,367,035</u>	<u>4</u>	<u>515,414</u>	<u>2</u>
Total liabilities	<u>5,193,346</u>	<u>15</u>	<u>3,782,118</u>	<u>11</u>	<u>4,828,294</u>	<u>16</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Common shares	955,101	2	953,900	3	947,336	3
Capital surplus	11,320,526	32	10,946,900	31	9,542,532	32
Retained earnings						
Legal reserve	996,568	3	996,568	3	996,568	3
Special reserve	1,461,963	4	1,461,963	4	1,129,475	4
Unappropriated earnings	15,610,713	44	17,103,077	48	13,063,146	43
Total retained earnings	<u>18,069,244</u>	<u>51</u>	<u>19,561,608</u>	<u>55</u>	<u>15,189,189</u>	<u>50</u>
Other equity						
Exchange differences on translating foreign operations	(217,410)	(1)	(213,051)	(1)	(551,619)	(2)
Unearned employee benefits	(393,376)	(1)	(486,073)	(1)	(228,675)	(1)
Total other equity	<u>(610,786)</u>	<u>(2)</u>	<u>(699,124)</u>	<u>(2)</u>	<u>(780,294)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	<u>29,734,085</u>	<u>83</u>	<u>30,763,284</u>	<u>87</u>	<u>24,898,763</u>	<u>82</u>
NON-CONTROLLING INTERESTS	<u>683,240</u>	<u>2</u>	<u>728,770</u>	<u>2</u>	<u>538,553</u>	<u>2</u>
Total equity	<u>30,417,325</u>	<u>85</u>	<u>31,492,054</u>	<u>89</u>	<u>25,437,316</u>	<u>84</u>
TOTAL	<u>\$ 35,610,671</u>	<u>100</u>	<u>\$ 35,274,172</u>	<u>100</u>	<u>\$ 30,265,610</u>	<u>100</u>

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 March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE, NET	\$ 3,434,664	100	\$ 6,020,775	100
OPERATING COSTS	<u>1,904,754</u>	<u>55</u>	<u>2,795,858</u>	<u>46</u>
GROSS PROFIT	<u>1,529,910</u>	<u>45</u>	<u>3,224,917</u>	<u>54</u>
OPERATING EXPENSES				
Selling and marketing expenses	338,056	10	267,264	5
General and administrative expenses	225,423	7	191,578	3
Research and development expenses	1,168,412	34	991,965	17
Expected credit loss	<u>18,076</u>	<u>-</u>	<u>567</u>	<u>-</u>
Total operating expenses	<u>1,749,967</u>	<u>51</u>	<u>1,451,374</u>	<u>25</u>
OTHER OPERATING INCOME AND EXPENSES, NET	<u>4,291</u>	<u>-</u>	<u>4,197</u>	<u>-</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(215,766)</u>	<u>(6)</u>	<u>1,777,740</u>	<u>29</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	150,507	4	39,350	1
Other income	155,544	5	49,090	1
Interest expenses	(465)	-	(235)	-
Foreign exchange loss, net	(23,933)	(1)	(5,492)	-
Share of loss of associates	(58,223)	(2)	(21,458)	(1)
Gain (loss) on financial instruments at fair value through profit or loss	149,758	4	(6,374)	-
Miscellaneous expenses	<u>(9,882)</u>	<u>-</u>	<u>(15,577)</u>	<u>-</u>
Total non-operating income and expenses	<u>363,306</u>	<u>10</u>	<u>39,304</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	147,540	4	1,817,044	30
INCOME TAX EXPENSE	<u>27,326</u>	<u>1</u>	<u>(173,054)</u>	<u>(3)</u>
NET PROFIT FOR THE PERIOD	<u>174,866</u>	<u>5</u>	<u>1,643,990</u>	<u>27</u>

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

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising from translation to the presentation currency	\$ (253,983)	(7)	\$ 878,044	15
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	241,689	7	54,263	1
Share of the other comprehensive loss of associates accounted for using equity method	<u>11,310</u>	<u>-</u>	<u>(3,078)</u>	<u>-</u>
Other comprehensive (loss) income for the period, net of income tax	<u>(984)</u>	<u>-</u>	<u>929,229</u>	<u>16</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 173,882</u>	<u>5</u>	<u>\$ 2,573,219</u>	<u>43</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 218,377	6	\$ 1,578,099	26
Non-controlling interests	<u>(43,511)</u>	<u>(1)</u>	<u>65,891</u>	<u>1</u>
	<u>\$ 174,866</u>	<u>5</u>	<u>\$ 1,643,990</u>	<u>27</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 214,018	6	\$ 2,488,443	41
Non-controlling interests	<u>(40,136)</u>	<u>(1)</u>	<u>84,776</u>	<u>2</u>
	<u>\$ 173,882</u>	<u>5</u>	<u>\$ 2,573,219</u>	<u>43</u>
EARNINGS PER SHARE				
Basic	<u>\$ 0.57</u>		<u>\$ 4.18</u>	
Diluted	<u>\$ 0.55</u>		<u>\$ 3.96</u>	

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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 Share	Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Unearned Employee Benefits	Total Other Equity				
			Legal Reserve	Special Reserve	Unappropriated Earnings				Total Retained Earnings			
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	-	-	-	-	(1,698,420)	(1,698,420)	-	-	-	(1,698,420)	-	(1,698,420)
Cash dividends distributed by Silergy Corp.	-	-	-	-	(1,698,420)	(1,698,420)	-	-	-	(1,698,420)	-	(1,698,420)
Changes in percentage of ownership interests in subsidiaries	-	(8,218)	-	-	(981)	(981)	-	-	-	(9,199)	9,199	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	528	-	-	-	-	-	-	-	528	-	528
Recognition compensation cost of employee share options by Silergy Corp.	-	135,296	-	-	-	-	-	-	-	135,296	-	135,296
Net profit for the three months ended March 31, 2022	-	-	-	-	1,578,099	1,578,099	-	-	-	1,578,099	65,891	1,643,990
Other comprehensive income for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	-	910,344	-	910,344	910,344	18,885	929,229
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	1,578,099	1,578,099	910,344	-	910,344	2,488,443	84,776	2,573,219
Issue of common shares under employee share options	3,769	158,440	-	-	-	-	-	-	-	162,209	-	162,209
Issue of restricted shares of stock and recognition of related compensation cost	-	-	-	-	-	-	-	86,532	86,532	86,532	-	86,532
BALANCE AT MARCH 31, 2022	\$ 947,336	\$ 9,542,532	\$ 996,568	\$ 1,129,475	\$ 13,063,146	\$ 15,189,189	\$ (551,619)	\$ (228,675)	\$ (780,294)	\$ 24,898,763	\$ 538,553	\$ 25,437,316
BALANCE AT JANUARY 1, 2023	\$ 953,900	\$ 10,946,900	\$ 996,568	\$ 1,461,963	\$ 17,103,077	\$ 19,561,608	\$ (213,051)	\$ (486,073)	\$ (699,124)	\$ 30,763,284	\$ 728,770	\$ 31,492,054
Appropriation of the 2022 earnings	-	-	-	-	(1,710,741)	(1,710,741)	-	-	-	(1,710,741)	-	(1,710,741)
Cash dividends distributed by Silergy Corp.	-	-	-	-	(1,710,741)	(1,710,741)	-	-	-	(1,710,741)	-	(1,710,741)
Changes in percentage of ownership interests in subsidiaries	-	27,882	-	-	-	-	-	-	-	27,882	(27,882)	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	1,358	-	-	-	-	-	-	-	1,358	-	1,358
Recognition compensation cost of employee share options by Silergy Corp.	-	277,740	-	-	-	-	-	-	-	277,740	-	277,740
Net profit for the three months ended March 31, 2023	-	-	-	-	218,377	218,377	-	-	-	218,377	(43,511)	174,866
Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	(4,359)	-	(4,359)	(4,359)	3,375	(984)
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	218,377	218,377	(4,359)	-	(4,359)	214,018	(40,136)	173,882
Issue of common shares under employee share options	1,146	56,156	-	-	-	-	-	-	-	57,302	-	57,302
Issue of restricted shares of stock and recognition of related compensation cost	55	10,490	-	-	-	-	-	92,697	92,697	103,242	-	103,242
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	22,488	22,488
BALANCE AT MARCH 31, 2023	\$ 955,101	\$ 11,320,526	\$ 996,568	\$ 1,461,963	\$ 15,610,713	\$ 18,069,244	\$ (217,410)	\$ (393,376)	\$ (610,786)	\$ 29,734,085	\$ 683,240	\$ 30,417,325

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 Three Months Ended	
	March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 147,540	\$ 1,817,044
Adjustments for:		
Expected credit loss recognized on trade receivables	18,076	567
Net (gain) loss on financial instruments at fair value through profit or loss	(149,758)	6,374
Depreciation expenses	120,520	83,055
Amortization expenses	52,831	40,663
Interest income	(150,507)	(39,350)
Dividend income	(109,571)	(5,977)
Interest expenses	465	235
Compensation cost of employee share options	277,740	135,296
Compensation cost of restricted employee shares	103,242	86,532
Share of loss of associates	58,223	21,458
Loss on disposal of property, plant and equipment	-	61
Gains on disposal of intangible assets	(4,291)	(4,258)
Write-down of inventories	168,321	46,960
Unrealized loss (gain) on foreign currency exchange	8,553	(5,597)
Changes in operating assets and liabilities		
Decrease (increase) in accounts receivable	180,328	(326,306)
(Increase) decrease in other receivables	(11,245)	3,662
Decrease (increase) in inventories	305,174	(402,610)
Decrease in prepayments	8,373	11,482
Increase in defined benefit assets - non-current	-	(13)
Decrease in refundable deposits	2,350	-
(Decrease) increase in accounts payable	(92,041)	1,830
Decrease in accounts payable - related parties	(1,191)	(3,314)
Increase in other payables	11,436	156,645
Decrease in other current liabilities	(9,204)	(11,087)
Increase in defined benefit liabilities - non-current	111	-
(Decrease) increase in guarantee deposits	(85,260)	432,109
Cash generated from operations	850,215	2,045,461
Interest received	131,232	23,085
Interest paid	(465)	(235)
Income tax paid	(106,661)	(72,056)
Net cash generated from operating activities	<u>874,321</u>	<u>1,996,255</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 Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	\$ -	\$ (1,127,288)
Proceeds from sale of financial assets at amortized cost	1,095,828	1,246,936
Purchase of financial assets at fair value through profit or loss	(89,418)	(359,420)
Acquisition of property, plant and equipment	(176,474)	(31,752)
Payments for right-of-use assets	(5,529)	-
Payments for intangible assets	(51,627)	(1,368)
Increase in refundable deposits	(18,689)	(13,269)
Increase in long-term prepayments	(8,531)	(35,298)
Dividends received	<u>109,571</u>	<u>5,977</u>
Net cash generated from (used in) investing activities	<u>855,131</u>	<u>(315,482)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in guarantee deposits	4,389	(35,847)
Repayment of the principal portion of lease liabilities	(15,652)	(14,614)
Proceeds from exercise of employee share options	57,302	162,209
Partial disposals of interests in subsidiaries without a loss of control	<u>22,488</u>	<u>-</u>
Net cash generated from financing activities	<u>68,527</u>	<u>111,748</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(21,343)</u>	<u>671,154</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,776,636	2,463,675
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>14,943,680</u>	<u>11,614,236</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 16,720,316</u>	<u>\$ 14,077,911</u>

(Concluded)