



Stock Code : 3265

**Winstek Semiconductor Corporation**

**2021 Regular Session of the Shareholders' Meeting**

**Meeting Handbook**

**Time: 2021.06.07 (Monday), 09:00**

**Location: No.176-5, 6 Ling, Hualung Chun, Chiung Lin, Hsin-Chiu  
Hsien, Taiwan (the Company)**

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# **Chapter 1 Procedure for the 2021 Annual Meeting of Shareholders of Winstek Semiconductor Corporation**

**I. Call the Meeting to Order**

**II. Chairmans Address**

**III. Management Presentation**

**IV. Proposals**

**V. Discussions**

**VI. Election**

**VII.Others for Discussion**

**VIII.Questions and Motions**

**IX. Adjournment**

## **Chapter 2 Agenda for the 2021 Annual Meeting of Shareholders of Winstek Semiconductor Co., Ltd.**

**Time: 2021.06.07 (Monday), 09:00**

**Location: No.176-5, 6 Ling, Hualung Chun, Chiung Lin, Hsin-Chiu  
Hsien, Taiwan (the Company)**

**I. Call the Meeting to Order**

**II. Chairmans Address**

**III. Management Presentation**

**(I) 2020 Business Report.**

**(II) Auditing Committee Review Report on 2020 Financial  
Statements**

**(III) Report on remunerations to employees and Directors in  
2020**

**(IV) Report on cash dividends payment from earnings in 2020**

**IV. Proposals**

**(I) 2020 Business Report and Financial Statements**

**(II) Proposal for the distribution of earnings in 2020**

**V. Points of Discussion**

**(I) Amendments of certain parts in the “Procedures of Extending  
Loans to Others.”**

**(II) Amendments of certain parts in the “Regulations Governing  
the Election of Directors.”**

**VI. Election**

**By-election of Directors.**

**VII. Others for Discussion**

**Motion of lifting the ban on competition of the newly elected  
Directors and representatives.**

**VIII. Questions and Motions**

**IX. Adjournment**

## I. Management Presentation

Report No. 1

Subject : 2020 Business Report

Explanation: For information on the 2020 Business Report of the Company, refer to page. 11-13 of this handbook, Attachment I.

Report No. 2

Subject: Auditing Committee Review Report on 2020 Financial Statements

Explanation: For information on the Auditing Committee Review Report and Audit report on 2020 Financial Statement, refer to page. 14 ,Atachment II , page. 16-20 and page. 28-33, Attachment III.

Report No. 3

Subject: Report on 2020 remunerations to the employees and Directors.

Explanation: (I) Appropriation of remunerations to the employees and Directors pursuant to Article 28 of the Articles of Incorporation.

(II) Proposal to appropriate NT\$21,848,202 as remuneration to the employees and NT\$0 as remuneration to Directors, which is 10% and 0% of the earnings in 2020, respectively. Payment will be made in cash in whole, which is relevant with the requirements of the Articles of Incorporation and the amount stated in the book.

(III) Employees of the Company and controlling and subsidiary companies meeting specific conditions are entitled to the payment. Factors such as seniority of service, ranks, work performance, overall contribution and special contribution will be considered for setting the amount of payment pending the approval by the Chairman.

Report No. 4

Subject: Content Report on the payment of cash dividends from earnings in 2020.

Explanation : (I) Pursuant to Article 28 of the Articles of Incorporation of the Company the Board is authorized to make special resolution to pay the dividend or bonus in cash in whole or in part, and report to the Shareholders' Meeting for resolution.

(II) Proposed to appropriate NT\$167,518,000 as cash dividend to the shareholders at NT\$1.229384/share. The payment of cash dividend for this instance will be rounded off to the nearest NTD of the lower bracket. The fraction of a share falling below NT\$1

will be combined for settlement by the total amount in descending order and the shareholder account number in descending sequential order to fit into the total amount of cash dividends payment. The processing fees and remittance fees shall be borne by respective shareholders, which will be deducted from the dividends payment.

(III) This motion has been passed by the Board with authorization to the Chairman to set the ex-dividends day and the mode of payment. In case of changes in the outstanding shares in the afterward the extent to which dividend rate is affected, the Chairman will be authorized with full power of attorney to handle related matters.

## II. Proposals

Proposal No. 1

Subject : 2020 Business Report and Financial Statements (Proposed by the Board)

Explanation : (I) The 2020 Business Report and Financial Statements were passed by the Board. The Financial Statements were audited by CPAs Hsieh Chin-Cheng and Chiang Tsai-Yan of PwC Taiwan . The aforementioned Financial Statements and Business Report have been referred to the Auditing Committee for review, with their issuance of the Review Report on file.

(II) Attached are the Business Report (pages 11~13, Attachment I), Auditor's Report (page 16-20, and page 28-33, Attachment III), and Financial Statements (page. 21-27, and page. 34-38, Attachment III), for recognition.

Resolution:



Proposal No. 2

Subject: Proposal for Distribution of 2020 Profits. (Proposed by the Board of Directors)

Explanation : (I) The Articles of Incorporation of the Company requires that earnings should be distributed semi-annually. The Board resolved not to distribute earnings in the first half of 2020, and accumulate the earnings for distribution to the second half of the year.

(II) The proposal for the distribution of earnings in 2020 has been passed by the Board and referred to the Auditing Committee for review.

(III) The proposal for the distribution of earnings in 2020 is specified as follows:

| <b>Winstek Semiconductor Corporation</b>   |                      |
|--|----------------------|
| <b>Profit Distribution Table</b>   |                      |
| <b>2020</b>  |                      |
|  | Unit: NT\$           |
| <b>Unappropriated retained earnings at the beginning of the period</b>   | <b>2,262,465,809</b> |
| Add: Net income after tax for the current year   | 209,397,595          |
| Less: Other amounts included in the current year's undistributed earnings - changes in actuarial profits and losses for 2020 | (6,989,589)          |
| Less: Appropriated Statutory reserves  | (20,240,801)         |
| Less: Appropriation for special reserve  | (157,618,449)        |
| Distributable net profit   | 2,287,014,565        |
| Distributable items:   |                      |
| Less: Dividend and bonus for the first half of the accounting year – Cash  |                      |
| <b>Less: Dividend and bonus for the second half of the accounting year - Cash</b>  | <b>(167,518,000)</b> |
| (Current number of outstanding shares: 136,261,659 shares at NT \$1.229384 per share)  |                      |
| Shareholders' Dividends and bonus - stocks   | 0                    |
| <b>Unappropriated retained earnings</b>  | <b>2,119,496,565</b> |

Chairman of the Board:

General Manager:

Main Accountant:

(IV) Request for recognition.

Resolution:

### **III. Discussion Items**

Matters for Deliberation No. 1

Subject: Amendments of certain parts in the “Procedures of Extending Loans to Others.” (Proposed by the Board)

Explanation: (I) We propose to amend the “Procedures of Extending Loans to Others” of the Company in part for the operating needs of the Company and in response to the amendments to the applicable laws. The table of mapping of provisions after amendment is exhibited in this handbook (page. 39-42, Attachment VI).

(II) Presented for discussed

Resolution:

Matters for Deliberation No. 2

Subject: Amendments to the “Regulations Governing the Election of Directors” in part (Proposed by the Board)

Explanation: (I) We propose to amend the “Regulations Governing the Election of Directors” in part to comply with the revision of laws and regulations. The table of mapping of provision after an amendment is exhibited in this handbook (pages 43~45, Attachment V).

(II) Presented for discussion

Resolution:

### **IV. Election**

Subject: By-election of Directors. (Proposed by the Board)

Explanation: (I) Bloomeria Limited, the former corporate director of the company, was dismissed on July 6, 2020, and it is proposed to elect a new director. The new director will take office after the closing of the regular shareholders’ meeting, and the tenure will be from June 7, 2021 to June 8, 2023.

(II) According to the Articles of Incorporation of the Company, the Company adopted the candidate nomination system in the election of Directors for this instance. Shareholders shall elect the candidates on the nomination list.

(IV) For information on the list of candidates to the seats of Directors, their education, experience and the proportion of shareholdings, refer to page. 46 of this handbook, Attachment IX.

(V) Vote in the election is asked.

Election Results:

## **V. Others for Discussion**

Subject: lifting the ban on competition of the newly elected Directors and representatives for discussion.  
(Proposed by the Board)

Explanation : (I) Pursuant to Article 209 of the Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the companys business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”

(II) Where the newly elected Directors and representatives may also hold positions as Directors of other companies engaged in the same or similar scope of business of the Company, we ask the Shareholders’ Meeting to lift the ban of these new Directors and representatives on competition pursuant to Article 209 of the Company Act so that the business of the Company can be developed smoothly without causing any damage to its interest. Supplementary information on the scope and content will be provided before proceeding to discussion on this motion.

(III) Presented for discussion.

Resolution :

## **VI. Questions and Motions**

## **VII. Adjournment**

## Attachment 1

# Winstek Semiconductor Corporation

## 2020 Business Report

In 2020, COVID-19 and the increasing tension between China and the United States made the global semiconductor business environment less optimistic than expected at the beginning of the year. However, the performance of Taiwans semiconductor industry showed a super high level of growth and expansion against the trend. It displayed a high degree of competitiveness, showing that the epidemic control of Taiwan is outstanding, thus allowing Taiwan to fully play its role as a global semiconductor supplier and receive orders from other countries. Taiwan, therefore, becomes the target to win over by both China and the United States in the extended Sino-US trade war. This highlights the important strategic position of Taiwan's semiconductors in the global market. In 2020, the output value of the domestic IC industry was NT\$3,001.9 billion, 12.6% higher than that in 2019.

Due to the development of COVID-19 vaccines, the epidemic situation gradually eased. According to IMF, the global economy has been returning to positive growth from the 2020 recession, and the global economic growth rate in 2021 will be 5.2%. The epidemic has changed peoples life styles, including daily social interaction, work, shopping, communication and entertainment, and will also generate new demand and business opportunities. Under the influence of the epidemic, the development of digital technology applications such as AI, 5G and IoT will accelerate, and business opportunities related to servers, base stations, Netcom devices and smartphones will gradually ferment after the peak of the epidemic. They will drive the development of relevant upstream components.

In the IC industry this year, the epidemic situation is expected to stabilize. The popularization of vaccines is gradually warming up the global economy; in addition, the recovery of electronic terminal product sales is driving consumer spending. Taiwan has the worlds most advanced semiconductor packaging and testing capability and heterogeneously integrated packaging and testing technology for wafers, which can meet the high integration and efficiency requirements of global electronic terminal products. The effects of order transfer by IDMs, commercial transfer to 5G, home economy and the launch of new mobile phones and game machines will help the growth of Taiwans IC packaging industry. According to the research data of IKE, the output value of Taiwans packaging and testing industry in 2021 is expected to be NT\$586.5 billion, up 6.8% over 2020.

With the support of all personnel and customers, the , the result of operation performance of the Company in last year is specified below:

- I. The consolidated operating revenue in 2020 was NT\$2.61 billion, down 11.1% from NT\$2.94 billion in the previous year. The net profit after tax in 2020 was NT\$210 million, a decrease of NT\$360 million from NT\$570 million in the previous year. The earnings per share in 2020 was NT\$1.54, NT\$2.63 less than the earnings per share of NT\$4.17 in the previous year.
- II. Budget execution: the Company did not disclose any financial forecast in 2020.

### Financial structure, ability to repay debts, and profitability analysis

The financial situation and profitability of the Company are sound. The analysis of financial structure, ability to repay debt and profitability is shown below:

| Items                      |   | Parent Company only<br>Financial Statements |        | Consolidated Financial<br>Statements |        |
|----------------------------|---|---|--------|--------------------------------------|--------|
|                            |   | 2020  | 2019   | 2020                                 | 2019   |
| Financial<br>Structure     | Debt-to-asset ratio (%)                       | 4.6%  | 11.2%  | 16.9%                                | 23.8%  |
|                            | Long-term capital to fixed<br>asset ratio (%) | 690.1%                                      | 689.4% | 284.4%                               | 259.1% |
| Debt-<br>paying<br>Ability | Current ratio (%)                             | 554.2%                                      | 360.8% | 596.2%                               | 473.1% |
|                            | Quick Ratio (%)                               | 547.6%                                      | 355.8% | 581.5%                               | 461.3% |
| Profitability              | Return on assets (%)                          | 4.1%  | 10.8%  | 3.6%                                 | 9.5%   |
|                            | Return on shareholders' equity<br>(%)         | 4.4%  | 12.0%  | 4.4%                                 | 12.0%  |
|                            | Net profit margin (%)                         | 27.9%                                       | 44.7%  | 8.0%                                 | 19.3%  |
|                            | Earnings per share (NTD)                      | 1.54  | 4.17   | 1.54                                 | 4.17   |

### The Condition of Research and Development

As 5G is still the focus of the semiconductor industry chain layout, it will drive the demand for advanced packaging and testing processes. Driven by the popularization of 5G product technology applications, the development of electronic terminal products moves towards the trends of low price, multi-function, high efficiency and high integration, and systems and packaging modules with heterogeneous integration have a greater demand. The Company will continue to maintain close cooperation with customers and actively invest in 5G product-related technologies and production capacity to meet the future needs of customers.

### Business Strategy and Policy for This Year

The Company will continue its focus on semiconductor packaging and testing and keeping up the close cooperation with customers in advanced technology. We will integrate resources to strengthen operation performance and actively engaged in the research and development of new production process, and to provide full-range testing and packaging capacity in one-stop service so as to reduce production cost and improve production efficiency. This will help t maximum capacity efficiency. We also seek to develop new customers to increase the proportion of revenue from new business for assurance of profitability and sustainable development of the enterprise.

Based on the economic condition of the industry and with reference to the forecast of various professional forecasting agencies on the semiconductor industry and the packaging and testing industry, the COVID-19 epidemic is expected to stabilize, and the popularization of vaccines is gradually warming up the global economy; in addition, the recovery of electronic terminal product sales is driving consumer spending. It is expected that the company's sales volume and revenue in 2021 will remain cautiously optimistic.

### **Impact of external environmental, regulatory and overall business environment**

The successive occurrence of Sino-US trade disputes and the COVID-19 epidemic challenged the production layout of the existing global supply chain. They brought changes to the current system of the global economic division of labor. In addition to the trend of technology diversion between the United States and China, under the thinking of diversifying risks in the post-epidemic era and the development of local economy in various countries, the global layout of the manufacturing industry has become an unstoppable trend.

Looking forward to the future, the epidemic may change peoples lifestyle, including daily social interaction, work, shopping, communication and entertainment, and will also generate new demand and business opportunities. The International Institute of Obstetrics estimates that AI, 5G, IoT and other digital technology applications will accelerate the development under the influence of the epidemic. The business opportunities of related servers, base stations, Netcom devices and smartphones will gradually ferment after the peak of the epidemic. All these are expected to continue to drive the demand for wafer-level packaging and testing in Taiwan.

Thank you for the continuous support and encouragement from all shareholders to the Company, and I hope you will continue to give us advice and encouragement. I wish all shareholders

Good health and good luck

Chairman of the board:

Manager:

Accountant Officer

**Attachment 2**

**Winstek Semiconductor Corporation**

**Audit Committees Audit Report**

The Board of Directors has prepared the Companys 20 20 Business Report, Proposal for Profit Distribution, Consolidated Financial Report and Parent Company Only Financial Report. The Consolidated Financial Report and the Parent Company Only Financial Report has been audited by CPA Hsieh Chin Cheng and Chiang Tsai Yen of PwC Taiwan. The aforementioned Business Report, Proposal for Profit Distribution, Consolidated Financial Report and Parent Company Only Financial Report, etc., have been reviewed and have not been found to be inconsistent by the Audit Committee, thus we hereby submit a report pursuant to the provisions of Article 14-4 of the Securities Exchange Act and Article 219 of the Company Law of the Republic of China. Please proceed to review and approve.

2021 Annual Meeting of Shareholders of the Company

Convener of the Audit Committee: Min-Kai Lin

March 9, 2021

### Attachment 3

#### Winstek Semiconductor Corporation

#### Consolidated Financial Statements for Affiliated Companies

In year of 2020 (from January 1, 2020 to December 31, 2020), the related entities that are required to be included in the preparation of the consolidated financial statements of the Company, under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those defined in Parent Company Only Financial Reporting Standards (IFRS) No. 10 "Consolidated Financial Statements." In addition, the information which shall be disclosed in the combined financial statements of affiliated companies is included in the consolidated financial statements of the parent company. Consequently, there will be no separate preparation of combined financial statements of affiliated companies.

As hereby declared

Company Name: Winstek Semiconductor Corporation

Person in Charge: Huang Hsing-Yang

March 9, 2021



## Independent Auditor's Report

(109) TWSE Review no. 20003172

Winstek Semiconductor Co., Ltd. seal:

### **Audit Opinion**

We have audited the consolidated balance sheet on December 31, 2020 and December 31, 2019 consolidated composite income sheet, consolidated statement of changes in equity, combined statement of cash flows from January 1 to December 31, 2020 and January 1 to December 31, 2019, and the notes to the consolidated financial statements (including the summary of material accounting policies) of Winstek Semiconductor Co., Ltd. and Subsidiaries (hereinafter referred to as "Winstek Group").

In our opinion, all the material items prepared in these consolidated financial statements are in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations and interpretation announcements recognized by the Financial Supervisory Commission (FSC). Therefore, they can properly express the consolidated financial status of Winstek Group as of December 31, 2020 and December 31, 2019 and consolidated financial performance and consolidated cash flow from January 1, 2019 to December 31, 2020.

### **Basis of Audit Opinion**

We have performed the auditing work in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the ROC. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Consolidated Financial Statements. We are independent of the Winstek Group in accordance with the Code of Ethics for Professional Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### **Key Audit Matters**

The key audit matters refer to those most material items when auditing the combined

financial statements of the year 2020 of Winstek Group, based on the professional judgment of the CPA. These matters were addressed in the context of our audit of the consolidated statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements of the year 2020 of Winstek Group are as follows:

### **Audits of Real Estate, Plant, and Equipment Capitalization**

#### Matter description

Capital expenditure of Winstek Semiconductor Corporation and Subsidiaries increased in proportion to operations increase capital expenditures along with their operations. Please refer to Note 4 (XIII) of the consolidated balance sheet for accounting policies related to items of real estate, plants, and equipment and Note 6(V) for the description of items related to real estate, plants, and equipment. The amount in capital expenditure of real estate, plants, and equipment in this year is significant. Therefore, the CPA listed audits of real estate, plant, and equipment capitalization as key matters.

#### Corresponding auditing procedures

The auditor conducted main audit procedures towards the said key audit matters including:

Evaluation and testing of effectiveness time points of relevant control of additional procurement and depreciation of real estate, plant, and equipment audit relevant procurement orders and invoices to confirm proper approval of transactions and accuracy of account amounts; audit and accept relevant forms to confirm time appropriation of availability of asset utilization and property inventory and accuracy of depreciation allocated.

### **Other matters - Individual financial report**

Winstek Semiconductor Corporation has prepared the Parent Company only financial report of the year 2020 and 2019, and the CPA has issued the unqualified audit report with other matters for future reference.

### **The responsibility of the management and governance units for the consolidated financial statements**

The responsibility of the management was to establish financial statements in accordance

with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and IFRS, IAS, interpretations and interpretation announcements recognized by the FSC, to properly indicate the company's financial status and also to maintain necessary internal control with regard to the establishment of consolidated financial statements to ensure such financial statements did not contain any false contents as a result of fraudulence or mistakes.

In preparing the consolidated financial statements of Winstek Group, management is responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless management either intends to liquidate Winstek Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Auditing Committee) are responsible for overseeing the financial reporting process of Winstek Group.

### **The responsibility of CPAs when auditing Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance. Still, it is not a guarantee that an audit conducted in accordance with auditing principles generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. These are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with the auditing principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Winstek Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting. Based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Winstek Group and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Winstek Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the notes to the statements) and whether or not the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identify during our audit).

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence (and where applicable, related safeguards).

Based on the result of our discussion with the governance body, we decided on the key audit matters when auditing the 2020 consolidated financial statement of Winstek Group. We

describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Hsieh Chih-Cheng

CPA

Tsai-Yen Chiang

Former Executive Yuan Financial Supervisory Commission  
(FSC)

SC Approved Certificate No. 0990042599

Financial Supervisory Commission (FSC)

FSC Approved Certificate No. 1060025097

March 9, 2021

Winstek Semiconductor Corporation and subsidiaries  
Consolidated Balance Sheet  
December 31, 2020 and December 31, 2019

Unit: NT\$ thousand

| Assets                    | Note  | December 31, 2020 |                     | December 31, 2019 |                     |            |
|---------------------------|---|-------------------|---------------------|-------------------|---------------------|------------|
|                           |   | Amount            | %                   | Amount            | %                   |            |
| <b>Current Assets</b>     |   |                   |                     |                   |                     |            |
| 1100                      | Cash and Cash Equivalents                                   | 6 (1)             | \$ 1,065,623        | 19                | \$ 431,419          | 7          |
| 1136                      | Financial assets on the basis of amortized cost – current   | 6 (2)             | 1,980,960           | 35                | 2,469,160           | 39         |
| 1140                      | Contracts Assets – current                                  | 6 (15)            | 20,529              | -                 | 20,401              | -          |
| 1170                      | Net account receivables                                     | 6 (3)             | 627,438             | 11                | 1,156,714           | 18         |
| 1180                      | Account receivables – related parties - net                 | 6 (3) and 7       | 1,662               | -                 | 118                 | -          |
| 1200                      | Other receivables   |                   | 7,210               | -                 | 8,042               | -          |
| 1220                      | Income tax assets in the current period                     |                   | 12,523              | -                 | -                   | -          |
| 130X                      | Inventory   | 6 (4)             | 68,448              | 1                 | 78,900              | 1          |
| 1410                      | Prepayments   |                   | 25,570              | 1                 | 35,453              | 1          |
| 1470                      | Other current assets  |                   | 3,933               | -                 | 6,441               | -          |
| 11XX                      | <b>Total current assets</b>                                 |                   | <u>3,813,896</u>    | <u>67</u>         | <u>4,206,648</u>    | <u>66</u>  |
| <b>Non-current assets</b> |   |                   |                     |                   |                     |            |
| 1535                      | Financial assets on the basis of amortized cost –noncurrent | 6 (2) and 8       | 21,700              | -                 | 20,700              | -          |
| 1600                      | Property, plant, and equipment                              | 6 (5)             | 1,768,742           | 31                | 2,101,684           | 33         |
| 1755                      | Right of use assets   | 6 (6)             | 8,296               | -                 | 31,417              | -          |
| 1780                      | Intangible assets   | 6 (8)             | 52,115              | 1                 | 32,132              | 1          |
| 1840                      | Deferred income tax assets                                  | 6 (22)            | 24,360              | 1                 | 19,676              | -          |
| 1900                      | Other non-current assets                                    |                   | 3,851               | -                 | 3,788               | -          |
| 15XX                      | <b>Total non-current assets</b>                             |                   | <u>1,879,064</u>    | <u>33</u>         | <u>2,209,397</u>    | <u>34</u>  |
| 1XXX                      | <b>Total assets</b>   |                   | <u>\$ 5,692,960</u> | <u>100</u>        | <u>\$ 6,416,045</u> | <u>100</u> |

(continue on next page)

Winstek Semiconductor Corporation and subsidiaries  
Consolidated Balance Sheet  
December 31, 2020 and December 31, 2019

Unit: NT\$ thousand

| Liabilities and shareholders' equity      | Note  | December 31, 2020 |                     | December 31, 2019 |                     |            |
|---|---|-------------------|---------------------|-------------------|---------------------|------------|
|   |   | Amount            | %                   | Amount            | %                   |            |
| <b>Current liabilities</b>                |   |                   |                     |                   |                     |            |
| 2130                                      | Contract liabilities -current                     | 6 (15)            | \$ 396              | -                 | \$ -                | -          |
| 2170                                      | Account payables                                  |                   | 82,789              | 1                 | 71,808              | 1          |
| 2180                                      | Account payables –related parties                 | 7                 | 257                 | -                 | 803                 | -          |
| 2200                                      | Other payables                                    | 6 (9)             | 393,311             | 7                 | 563,804             | 9          |
| 2220                                      | Other payables –related parties                   | 7                 | -                   | -                 | 9                   | -          |
| 2230                                      | Income tax liabilities in the current period      |                   | -                   | -                 | 134,774             | 2          |
| 2250                                      | Provision for liabilities –current                |                   | 10,816              | -                 | 2,794               | -          |
| 2280                                      | Leasehold liabilities – current                   | 6 (25)            | 1,947               | -                 | 27,085              | 1          |
| 2320                                      | Current portion of long-term liabilities          | 6 (10)            | 145,000             | 3                 | 82,500              | 1          |
| 2399                                      | Other current liabilities – others                |                   | 5,159               | -                 | 5,557               | -          |
| 21XX                                      | <b>Total current liabilities</b>                  |                   | <u>639,675</u>      | <u>11</u>         | <u>889,134</u>      | <u>14</u>  |
| <b>Noncurrent liabilities</b>             |   |                   |                     |                   |                     |            |
| 2540                                      | Long-term loans                                   | 6 (10)            | 285,500             | 5                 | 607,500             | 10         |
| 2570                                      | Deferred income tax liabilities                   | 6 (22)            | 1,616               | -                 | 4,020               | -          |
| 2580                                      | Leasehold liabilities –non-current                | 6 (25)            | 6,397               | -                 | 1,638               | -          |
| 2640                                      | Defined benefit liabilities – non-current         | 6 (11)            | 26,816              | 1                 | 21,216              | -          |
| 2670                                      | Other non-current liabilities – others            |                   | 3,563               | -                 | 3,541               | -          |
| 25XX                                      | <b>Total non-current liabilities</b>              |                   | <u>323,892</u>      | <u>6</u>          | <u>637,915</u>      | <u>10</u>  |
| 2XXX                                      | <b>Total liabilities</b>                          |                   | <u>963,567</u>      | <u>17</u>         | <u>1,527,049</u>    | <u>24</u>  |
| <b>Equity</b>                             |   |                   |                     |                   |                     |            |
| Capital                                   |   |                   |                     |                   |                     |            |
| 3110                                      | Capital from ordinary share                       | 6 (12)            | 1,362,617           | 24                | 1,362,617           | 21         |
| Capital reserve                           |   |                   |                     |                   |                     |            |
| 3200                                      | Capital surplus                                   | 6 (13)            | 366,243             | 7                 | 366,243             | 6          |
| Retained earnings                         |   |                   |                     |                   |                     |            |
| 3310                                      | Legal reserve                                     | 6 (14)            | 693,278             | 12                | 637,091             | 10         |
| 3320                                      | Special Reserve                                   |                   | 45,854              | 1                 | -                   | -          |
| 3350                                      | Undistributed earnings                            |                   | 2,464,874           | 43                | 2,568,899           | 40         |
| Other equities                            |   |                   |                     |                   |                     |            |
| 3400                                      | Other equities                                    |                   | ( 203,473)          | ( 4)              | ( 45,854)           | ( 1)       |
| 3XXX                                      | <b>Total equities</b>                             |                   | <u>4,729,393</u>    | <u>83</u>         | <u>4,888,996</u>    | <u>76</u>  |
| Major commitment or contingency 9         |   |                   |                     |                   |                     |            |
| Materiality after the reporting period 11 |   |                   |                     |                   |                     |            |
| 3X2X                                      | <b>Total liabilities and shareholders' equity</b> |                   | <u>\$ 5,692,960</u> | <u>100</u>        | <u>\$ 6,416,045</u> | <u>100</u> |

The notes to the consolidated financial statements constitute an integral part of this consolidated financial statement.

Chairman: Huang Hsing-Yang

Manager: Weng Chih-Li

Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Corporation and subsidiaries  
Consolidated Comprehensive Income Statements  
January 1 to December 31, 2020 and January 1 to December 31, 2019

Unit: NT\$ thousand  
(NTD for earnings per share)

| Items   | Note           | 2020              |                | 2019              |           |
|---|----------------|-------------------|----------------|-------------------|-----------|
|   |                | Amount            | %              | Amount            | %         |
| 4000 Revenue  | 6 (15) and 7   | \$ 2,613,534      | 100            | \$ 2,942,669      | 100       |
| 5000 Cost of operations   | 6 (4)          | ( 2,180,206)      | ( 83)          | ( 2,059,476)      | ( 70)     |
| 5950 Net gross profit   |                | <u>433,328</u>    | <u>17</u>      | <u>883,193</u>    | <u>30</u> |
| Operating expense   | 6 (20)<br>(21) |                   |                |                   |           |
| 6100 Sale expense   |                | ( 25,018)         | ( 1)           | ( 26,352)         | ( 1)      |
| 6200 Management expense   |                | ( 167,145)        | ( 6)           | ( 185,295)        | ( 6)      |
| 6300 R&D expense  |                | ( 14,134)         | ( 1)           | ( 15,930)         | ( 1)      |
| 6000 Total operating expense  |                | ( 206,297)        | ( 8)           | ( 227,577)        | ( 8)      |
| 6900 Operating income   |                | <u>227,031</u>    | <u>9</u>       | <u>655,616</u>    | <u>22</u> |
| Non-operating income and expense  |                |                   |                |                   |           |
| 7100 Interest income  | 6 (16)         | 23,708            | 1              | 44,990            | 2         |
| 7010 Other incomes  | 6 (17)         | 463               | -              | 463               | -         |
| 7020 Other profits and loss   | 6 (18) & 7     | ( 15,786)         | ( 1)           | 54,587            | 2         |
| 7050 Financial cost   | 6 (19)         | ( 7,670)          | -              | ( 15,023)         | ( 1)      |
| 7000 Total non-operating income and expense   |                | <u>715</u>        | <u>-</u>       | <u>85,017</u>     | <u>3</u>  |
| 7900 <b>Earnings before Taxation</b>  |                | <u>227,746</u>    | <u>9</u>       | <u>740,633</u>    | <u>25</u> |
| 7950 Income tax expense   | 6 (22)         | ( 18,348)         | ( 1)           | ( 172,990)        | ( 6)      |
| 8200 <b>Net income in the current period</b>  |                | <u>\$ 209,398</u> | <u>8</u>       | <u>\$ 567,643</u> | <u>19</u> |
| <b>Other comprehensive incomes</b>  |                |                   |                |                   |           |
| 8311 Re-estimation of defined benefit plan  | 6 (11)         | (\$ 6,990)        | -              | (\$ 5,775)        | -         |
| 8310 Total amount of items not reclassified as profit or loss                               |                | ( 6,990)          | -              | ( 5,775)          | -         |
| <b>Items likely be reclassified under profit or loss</b>                                    |                |                   |                |                   |           |
| 8361 Exchange difference from the conversion of financial statements of foreign operations. |                | ( 157,619)        | ( 6)           | ( 83,769)         | ( 3)      |
| 8360 Total amount in items likely to be reclassified under profit or loss                   |                | ( 157,619)        | ( 6)           | ( 83,769)         | ( 3)      |
| 8500 <b>Total comprehensive incomes in the current period</b>                               |                | <u>\$ 44,789</u>  | <u>2</u>       | <u>\$ 478,099</u> | <u>16</u> |
| Net income attributable to:   |                |                   |                |                   |           |
| 8610 Shareholders of parent company   |                | <u>\$ 209,398</u> | <u>8</u>       | <u>\$ 567,643</u> | <u>19</u> |
| Total comprehensive income attributable to:   |                |                   |                |                   |           |
| 8710 Shareholders of parent company   |                | <u>\$ 44,789</u>  | <u>2</u>       | <u>\$ 478,099</u> | <u>16</u> |
| Earnings per share  | 6 (23)         |                   |                |                   |           |
| 9750 Earnings per share   |                | <u>\$ 1.54</u>    | <u>\$ 4.17</u> |                   |           |
| 9850 Diluted earnings per share   |                | <u>\$ 1.52</u>    | <u>\$ 4.11</u> |                   |           |

The notes to the consolidated financial statements constitute an integral part of this consolidated financial statement.

Chairman: Huang Hsing-Yang

Manager: Weng Chih-Li

Accounting Officer: Liu Kui-Chu



Winstek Semiconductor Corporation and subsidiaries  
Consolidated Statement of Changes in Shareholders Equity  
January 1 to December 31, 2020 and January 1, 2019 to December 31, 2019

Unit: NT\$ thousand

| Note  | Shareholders equity attributable to parent company |                 |               |                 |                        |                   | Conversion from financial statements of foreign operations Exchange difference | Total shareholders' equity |
|---|--|-----------------|---------------|-----------------|------------------------|-------------------|--|----------------------------|
|   | Share  | Capital surplus | Legal reserve | Special Reserve | Undistributed earnings | Retained earnings |  |                            |
| <u>1.1.2019 - December 31, 2019</u>                                 |  |                 |               |                 |                        |                   |  |                            |
| Balance as of January 1, 2019                                       | 1,362,617  | 366,243         | 604,109       | 67,932          | 2,135,595              | 37,915            | 4,574,411  |                            |
| Net income in the current period                                    | -  | -               | -             | -               | 567,643                | -                 | 567,643  |                            |
| Other comprehensive incomes <sup>6 (11)</sup> in the current period | -  | -               | -             | -               | ( 5,775 )              | ( 83,769 )        | ( 89,544 )   |                            |
| Total comprehensive incomes in the current period                   | -  | -               | -             | -               | 561,868                | ( 83,769 )        | 478,099  |                            |
| Distribution of earnings and appropriation in 2018                  |  |                 |               |                 |                        |                   |  |                            |
| Appropriation for legal reserve                                     | -  | -               | 32,982        | -               | ( 32,982 )             | -                 | -  |                            |
| Cash dividends  | -  | -               | -             | -               | ( 163,514 )            | -                 | ( 163,514 )  |                            |
| Reversal of special reserve   | -  | -               | -             | ( 67,932 )      | 67,932                 | -                 | -  |                            |
| Balance as of December 31, 2019                                     | 1,362,617  | 366,243         | 637,091       | -               | 2,568,899              | ( 45,854 )        | 4,888,996  |                            |
| <u>1.1.2020 - December 31, 2020</u>                                 |  |                 |               |                 |                        |                   |  |                            |
| Balance on 1.1.2020   | 1,362,617  | 366,243         | 637,091       | -               | 2,568,899              | ( 45,854 )        | 4,888,996  |                            |
| Net income in the current period                                    | -  | -               | -             | -               | 209,398                | -                 | 209,398  |                            |
| Other comprehensive incomes <sup>6 (11)</sup> in the current period | -  | -               | -             | -               | ( 6,990 )              | ( 157,619 )       | ( 164,609 )  |                            |

The notes to the consolidated financial statements constitute an integral part of this consolidated financial statement.

Chairman: Huang Hsing-Yang

Manager: Weng Chih-Li

Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Corporation and subsidiaries  
Consolidated Statement of Changes in Shareholders Equity  
January 1 to December 31, 2020 and January 1, 2019 to December 31, 2019

Unit: NT\$ thousand

|   | Shareholders equity attributable to parent company |           |                 |               |                 |                        |  | Total shareholders' equity |
|---|--|-----------|-----------------|---------------|-----------------|------------------------|--|----------------------------|
|   | Note   | Share     | Capital surplus | Legal reserve | Special Reserve | Undistributed earnings | Conversion from financial statements of foreign operations Exchange difference |                            |
| Total comprehensive incomes in the current period |  | -         | -               | -             | -               | 202,408                | ( 157,619 )  | 44,789                     |
| Earnings in 2019 and appropriation                | 6 (14)   |           |                 |               |                 |                        |  |                            |
| Appropriation for legal reserve                   |  | -         | -               | 56,187        | -               | ( 56,187 )             | -  | -                          |
| Appropriation for special reserve                 |  | -         | -               | -             | 45,854          | ( 45,854 )             | -  | -                          |
| Cash dividends                                    |  | -         | -               | -             | -               | ( 204,392 )            | -  | ( 204,392 )                |
| Balance on December 31, 2020                      |  | 1,362,617 | 366,243         | 693,278       | 45,854          | 2,464,874              | ( 203,473 )  | 4,729,393                  |

The notes to the consolidated financial statements constitute an integral part of this consolidated financial statement.

Chairman: Huang Hsing-Yang

Manager: Weng Chih-Li

Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Corporation and subsidiaries  
Consolidated Statement of Cash Flows  
January 1 to December 31, 2020 and January 1 to December 31, 2019

Unit: NT\$ thousand

|  | Note             | From January 1, 2020<br>to December 31, 2020 | From January 1, 2019<br>to December 31, 2019 |
|--|------------------|--|--|
| <u>Cash flow from operation</u>                                |                  |  |  |
| Earnings before taxation in the current period                 |                  | \$ 227,746                                   | \$ 740,633                                   |
| Adjusted items   |                  |  |  |
| Capital gain/loss item   |                  |  |  |
| Depreciations  | 6 (5), 6<br>(20) | 660,041                                      | 755,958                                      |
| Amortization   | 6 (8) (20)       | 10,941                                       | 6,848  |
| Interest expense   | 6 (6) (19)       | 7,670  | -  |
| Interest income  | 6 (16)           | ( 23,708 )                                   | ( 44,990 )                                   |
| Capital gain from disposal of property, plant<br>and equipment | 6 (18)           | ( 7,468 )                                    | ( 57,320 )                                   |
| Changes in assets/liabilities related to<br>operations         |                  |  |  |
| Net change in assets related to operations                     |                  |  |  |
| Contract assets  |                  | ( 781 )                                      | ( 7,620 )                                    |
| Account receivables  |                  | 496,496                                      | ( 428,846 )                                  |
| Account receivables –related parties                           |                  | ( 1,545 )                                    | -  |
| Other receivables  |                  | 1,710  | ( 5,795 )                                    |
| Inventory  |                  | 6,748  | ( 6,022 )                                    |
| Prepayment   |                  | 4,897  | 24,127                                       |
| Other current assets   |                  | 2,404  | ( 3,187 )                                    |
| Net change in liabilities related to operation                 |                  |  |  |
| Contract liabilities   |                  | 411  | -  |
| Account payables   |                  | 15,047                                       | 27,789                                       |
| Account payables – related parties                             |                  | 2,037  | 803  |
| Other payables   |                  | ( 74,931 )                                   | 72,762                                       |
| Other payables –related parties                                |                  | 2,289  | ( 475 )                                      |
| Provision for liabilities                                      |                  | 8,444  | ( 5,210 )                                    |
| Other current liabilities                                      |                  | ( 155 )                                      | 898  |
| Net defined benefit liabilities                                |                  | ( 1,389 )                                    | ( 1,388 )                                    |
| Other non-current liabilities                                  |                  | -  | 1  |
| Cash inflow from operations                                    |                  | 1,336,904                                    | 1,068,966                                    |
| Interest collected   |                  | 26,822                                       | 42,536                                       |
| Interest paid  |                  | ( 7,740 )                                    | -  |
| Income tax paid  |                  | ( 158,555 )                                  | ( 97,781 )                                   |
| Net cash inflow from operations                                |                  | 1,197,431                                    | 1,013,721                                    |

(continue on next page)

Winstek Semiconductor Corporation and subsidiaries  
Consolidated Statement of Cash Flows  
January 1 to December 31, 2020 and January 1 to December 31, 2019

Unit: NT\$ thousand

|   | Note   | From January 1, 2020<br>to December 31, 2020 | From January 1, 2019<br>to December 31, 2019 |
|---|--------|--|--|
| <u>Cash flows from investment</u>   |        |  |  |
| Financial assets measured at amortized cost                               |        | (\$ 4,372,379)                               | (\$ 5,581,004)                               |
| Disposal of financial assets measured at<br>amortized cost                |        | 4,769,155                                    | 4,545,606                                    |
| Acquisition of property, plant and equipment                              | 6 (24) | ( 441,079 )                                  | ( 518,013 )                                  |
| Acquisition of intangible assets  | 6 (8)  | ( 31,488 )                                   | ( 18,491 )                                   |
| Proceeds from disposal of property, plant and<br>equipment                |        | 9,300  | 60,996                                       |
| Increase of refundable security deposits                                  |        | ( 63 )                                       | -  |
| Net cash outflow from investment  |        | ( 66,554 )                                   | ( 1,510,906 )                                |
| <u>Cash flows from financing</u>  |        |  |  |
| Borrowing of long-term loans  | 6 (25) | 3,000  | 480,000                                      |
| Repayment of long-term loans  | 6 (25) | ( 262,500 )                                  | ( 540,000 )                                  |
| Repaid amount in lease principal  | 6 (25) | ( 25,968 )                                   | ( 112,256 )                                  |
| Increase of cash on receipt   | 6 (25) | 111  | 38   |
| Decrease of cash on receipt   | 6 (25) | ( 89 )                                       | ( 33 )                                       |
| Cash dividends payment  | 6 (14) | ( 204,392 )                                  | ( 163,514 )                                  |
| Net cash outflow from financing   |        | ( 489,838 )                                  | ( 335,765 )                                  |
| Effect of changes in exchange rate  |        | ( 6,835 )                                    | ( 11,123 )                                   |
| Increase (decrease) of cash and cash equivalents in<br>the current period |        | 634,204                                      | ( 844,073 )                                  |
| Balance of cash and cash equivalents at the<br>beginning of period        | 6 (1)  | 431,419                                      | 1,275,492                                    |
| Balance of cash and cash equivalents at the end of<br>period              | 6 (1)  | \$ 1,065,623                                 | \$ 431,419                                   |

## Auditor's Report

(2021) Cai-Shen-Bao-Zi no.20003967

To Winstek Semiconductor Corporation

### **Audit Opinion**

The Parent Company Only Balance Sheets as of December 31, 2019 and December 31, 2020; Parent Company Only Statements Of Comprehensive Income, Parent Company Only Statements Of Changes In Equity, Parent Company Only Statements Of Cash Flows from January 1, 2019 to December 31, 2019 and December 31, 2020; and the Notes to the Parent Company Only Finance Statements (including the Summary of Significant Accounting Policies) of Winstek Semiconductor Corporation, have been audited by the certified public accountant (hereafter referred to as "CPA").

In the opinion of the CPA, all the material items prepared in the above mentioned Parent Company Only Finance Statements are in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", which properly present the financial position of Winstek Semiconductor Corporation as of December 31, 2019 and December 31, 2020, and individual financial performance and individual cash flows from January 1, 2019 to December 31, 2019 and in 2020

### **Basis of Audit Opinion**

We have performed the auditing work in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the ROC. Our CPAs will further explain the responsibilities auditors shall execute during the audit of Parent Company Only Finance Statements under the above principles. The personnel of our accounting firm who are subject to independent regulations have acted according to the ROC CPA Code of Professional Ethics to remain neutral from Winstek Semiconductor Corporation while fulfilling other duties set forth in the said Code. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of the auditors opinion.

### **Key Audit Matters**

Key audit key matters refer to those most material key matters for the audit on the Parent

Company Only Finance Statements of the year 2020 for Winstek Semiconductor Corporation, based on the professional judgment of the accountant. Such matters have been taken into account in the audit of the overall Parent Company Only Finance Statements and have been considered to the formation of audit opinions, therefore the CPA is not giving any personal opinions on such key matters

The key audit matters of the Parent Company Only Finance Statements of the year 2020 for Winstek Semiconductor Corporation are as followings:

### **Audits of Real Estate, Plant and Equipment Capitalization**

#### Matter description

Winstek Semiconductor Corporation and Subsidiaries increase capital expenditures along with their operations. For further information on the accounting policy of property, plant, and equipment, refer to Note 4 (12) to Parent Company Only Finance Statement. For further information on property, plant, and equipment, refer to Note 6 (5) of the Parent Company Only Finance Statement. The expenditures on property, plant, and equipment in this year are significant. We, therefore, list the capitalization of property, plant, and equipment as key audit matters.

#### Corresponding auditing procedures

The auditor conducted main audit procedures towards the said key audit matters including:

Evaluate and examine the effectiveness of the internal control of the time for the addition and recognition for depreciation of property, plant, and equipment with a random selection of the purchase orders and invoices to ascertain the appropriate approval of the transactions and the accuracy of bookkeeping. Acceptance documents have also been examined, on a selective basis, to determine the asset is in working condition and the timing for entry into asset index and starting to recognize for depreciation.

## **The responsibility of the management and governance units for the Parent Company Only Finance Statements**

The responsibility of the management was to establish financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" to properly indicate the company's financial status and also to maintain necessary internal control with regard to the establishment of Parent Company Only Finance Statements to ensure such financial statements did not contain any false contents as a result of fraudulence or mistakes.

When preparing the Parent Company Only Finance Statements, the management is also responsible for the assessment of Winstek Semiconductor Corporation's ability on going concern, the disclosure of relevant matters, the adoption of the accounting base for going concern, unless the management intends to proceed with the liquidation to Winstek Group or to discontinue its operations, or has no other practical alternative solutions except for liquidation or closure.

The governing body of Winstek Semiconductor Corporation (including the Audit Committee) had the responsibility to supervise the financial reporting process.

## **The responsibility of CPAs when auditing Parent Company Only Finance Statements**

Our objective when auditing the parent company only financial statements was to ascertain whether they contained any false contents as a result of fraudulence or mistakes and whether they were reasonably reliable and issue the auditor's report. Reasonably reliable means highly reliable. However, auditing work carried out in accordance with commonly accepted ROC audit guidelines cannot guarantee detection of significant false contents in parent company only financial statements. Misstatements could be caused by fraud or error. If the individual amounts or sums that false contents involved could be reasonably expected to affect the financial decision making of users of Parent Company Only Finance Statements such false contents would be considered significant.

We conducted the auditing work according to audit standards generally accepted in the ROC and also exercised our professional judgment and remained professionally skeptical. We also:

1. Identifying and evaluating likely risks from significant false contents in the Parent

Company Only Finance Statements as a result of fraudulence of errors, designing and executing proper counter measures against the risks identified, and also establishing sufficient and appropriate audit evidence to serve as the basis of the auditors report. As fraudulence can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control, the risk of failing to detect significant false contents resulting from fraudulence is higher than the risk of failing to identify those coming from errors.

2. Obtaining necessary understanding of internal controls relevant to the audit, in order to design appropriate audit procedures in the circumstances, but the purpose is not to express an opinion on the effectiveness of internal controls of Winstek Semiconductor Corporation
3. Evaluating the appropriateness of the accounting policy adopted by the management and the reasonableness of the accounting assessment and related disclosures made accordingly.
4. Based on the audit evidence obtained, conclusions are drawn on the appropriateness of the managements continuing adoption of the going concern accounting foundation and whether there was any significant doubt (in the events or circumstances) about the capacity of Winstek Semiconductor Corporation to remain in operation or whether any significant uncertainty existed. If we thought such doubt or significant uncertainty existed, we had to point it out in the auditors report to remind users of the Parent Company Only Finance Statements to look out for related disclosures in the Parent Company Only Finance Statements to revise out audit opinion if such disclosures were considered inappropriate. Our conclusion was established according to the audit evidence obtained before the deadline for the auditors report. However, future events or circumstances may result in Winstek Semiconductor Corporation no longer being able for going concern.
5. Evaluating the overall expression, structure and contents of the Parent Company Only Finance Statements (including related notes) and whether the Parent Company Only Finance Statements could appropriately express related transactions and events.
6. We presented our opinions on the Parent Company Only Finance Statement based on sufficient and appropriate financial information on Winstek Semiconductor Corporation We were responsible for guiding, supervising, and executing the audit work for the Company and also establishing the auditors opinion.

We communicated with governance units about the planned audit range and time and important audit discoveries (including significant internal control defects found during the audit



process).

We provided governance units with a statement assuring the personnel of our accounting firm who are subject to independent regulations had acted according to the ROC CPA Code of Professional Ethics to remain neutral and also communicate with them about all relations and other matters (including related preventive measures) that could affect the independence of CPAs.

Based on the result of our discussion with the governance body, we decided the key audit matters when auditing the 2020 Parent Company Only Finance Statements of Winstek Semiconductor Corporation We have clearly described the said matters in the auditors report except for certain matters whose public disclosure is prohibited by law or certain matters we decided not to mention under some extremely rare circumstances because disclosure of such matters can be reasonably expected to lead to negative effects that would be greater than public good they might benefit.

PwC Taiwan

Hsieh Chih-Cheng

CPA

Chiang Tsai-Yen

Former Executive Yuan Financial Supervisory Commission  
(FSC)

SC Approved Certificate No. 0990042599

Financial Supervisory Commission (FSC)

FSC Approved Certificate No. 1060025097

March 9, 2021

Winstek Semiconductor Corporation  
PARENT COMPANY ONLY BALANCE SHEETS  
December 31, 2020 and December 31, 2019

Unit: NT\$ thousand

| Assets                    | Note  | December 31, 2020 |                     | December 31, 2019 |                     |            |
|---------------------------|---|-------------------|---------------------|-------------------|---------------------|------------|
|                           |   | Amount            | %                   | Amount            | %                   |            |
| <b>Current Assets</b>     |   |                   |                     |                   |                     |            |
| 1100                      | Cash and cash equivalents                                 | 6 (1)             | \$ 468,568          | 10                | \$ 210,866          | 4          |
| 1136                      | Financial assets measured at amortized cost - current     | 6 (2)             | 385,440             | 8                 | 879,820             | 16         |
| 1140                      | Contract assets - current                                 | 6 (15)            | 8,381               | -                 | 6,715               | -          |
| 1170                      | Net accounts receivable                                   | 6 (3)             | 90,184              | 2                 | 279,199             | 5          |
| 1180                      | Accounts receivable from related parties (net)            | 6 (3) and 7       | 57,536              | 1                 | 32,434              | 1          |
| 1200                      | Other receivables   |                   | 3,311               | -                 | 2,567               | -          |
| 1210                      | Other accounts receivable - related parties               | 7                 | 43,815              | 1                 | 45,461              | 1          |
| 1220                      | Income tax assets in the current period                   |                   | 12,523              | -                 | -                   | -          |
| 1410                      | Prepayments   |                   | 12,942              | -                 | 20,494              | -          |
| 1470                      | Other current assets - others                             |                   | 2,849               | -                 | 2,016               | -          |
| 11XX                      | <b>Total current assets</b>                               |                   | <u>1,085,549</u>    | <u>22</u>         | <u>1,479,572</u>    | <u>27</u>  |
| <b>Non-current assets</b> |   |                   |                     |                   |                     |            |
| 1535                      | Financial assets measured at amortized cost - non-current | 6 (2) and 8       | 12,000              | -                 | 12,000              | -          |
| 1550                      | Investment under equity method                            | 6(4)              | 3,113,377           | 63                | 3,239,569           | 59         |
| 1600                      | Property, plant, and equipment                            | 6 (5)             | 687,374             | 14                | 708,503             | 13         |
| 1755                      | Right-of-use assets                                       | 6 (6)             | 2,622               | -                 | 30,648              | 1          |
| 1780                      | Intangible assets   | 6 (8)             | 39,747              | 1                 | 18,450              | -          |
| 1840                      | Deferred income tax assets                                | 6(21)             | 14,884              | -                 | 15,665              | -          |
| 1900                      | Other non-current assets – others                         |                   | 1,709               | -                 | 1,723               | -          |
| 15XX                      | <b>Total non-current assets</b>                           |                   | <u>3,871,713</u>    | <u>78</u>         | <u>4,026,558</u>    | <u>73</u>  |
| 1XXX                      | <b>Total assets</b>                                       |                   | <u>\$ 4,957,262</u> | <u>100</u>        | <u>\$ 5,506,130</u> | <u>100</u> |

(continue on next page)

Winstek Semiconductor Corporation  
PARENT COMPANY ONLY BALANCE SHEETS  
December 31, 2020 and December 31, 2019

Unit: NT\$ thousand

| Liabilities and shareholders' equity          | Note   | December 31, 2020   |            | December 31, 2019   |            |
|---|--------|---------------------|------------|---------------------|------------|
|   |        | Amount              | %          | Amount              | %          |
| <b>Current liabilities</b>                    |        |                     |            |                     |            |
| 2170  |        | \$ 1,532            | -          | \$ 1,125            | -          |
| 2200  | 6 (9)  | 189,882             | 4          | 183,008             | 3          |
| 2220  | 7      | 608                 | -          | 525                 | -          |
| 2230  |        | -                   | -          | 134,774             | 2          |
| 2250  |        | 160                 | -          | 1,278               | -          |
| 2280  |        | 1,159               | -          | 26,290              | 1          |
| 2320  | 6 (10) | -                   | -          | 60,000              | 1          |
|   |        |                     |            |                     |            |
| 2399  |        | 2,521               | -          | 3,114               | -          |
| 21XX  |        | <u>195,862</u>      | <u>4</u>   | <u>410,114</u>      | <u>7</u>   |
| <b>Non-current liabilities</b>                |        |                     |            |                     |            |
| 2540  | 6 (10) | -                   | -          | 180,000             | 3          |
| 2570  | 6(21)  | 289                 | -          | 744                 | -          |
| 2580  |        | 1,481               | -          | 1,638               | -          |
| 2640  | 6 (11) | -                   | -          | -                   | -          |
|   |        |                     |            |                     |            |
| 2670  |        | 26,816              | 1          | 21,217              | 1          |
|   |        |                     |            |                     |            |
|   |        | 3,421               | -          | 3,421               | -          |
| 25XX  |        | <u>32,007</u>       | <u>1</u>   | <u>207,020</u>      | <u>4</u>   |
| 2XXX  |        | <u>227,869</u>      | <u>5</u>   | <u>617,134</u>      | <u>11</u>  |
| <b>Equity</b>                                 |        |                     |            |                     |            |
| <b>Capital</b>                                |        |                     |            |                     |            |
| 3110  | 6 (12) |                     |            |                     |            |
|   |        | 1,362,617           | 27         | 1,362,617           | 25         |
| <b>Capital reserve</b>                        |        |                     |            |                     |            |
| 3200  | 6 (13) |                     |            |                     |            |
|   |        | 366,243             | 7          | 366,243             | 7          |
| <b>Retained earnings</b>                      |        |                     |            |                     |            |
| 3310  | 6 (14) |                     |            |                     |            |
|   |        | 693,278             | 14         | 637,091             | 11         |
| 3320  |        | 45,854              | 1          | -                   | -          |
| 3350  |        | 2,464,874           | 50         | 2,568,899           | 47         |
| <b>Other equity</b>                           |        |                     |            |                     |            |
| 3400  |        | (203,473)           | (4)        | (45,854)            | (1)        |
| 3XXX  |        | <u>4,729,393</u>    | <u>95</u>  | <u>4,888,996</u>    | <u>89</u>  |
| <b>Material commitments and contingencies</b> |        |                     |            |                     |            |
|   | 9      |                     |            |                     |            |
| <b>Significant subsequent events</b>          |        |                     |            |                     |            |
|   | 11     |                     |            |                     |            |
| 3X2X  |        | <u>\$ 4,957,262</u> | <u>100</u> | <u>\$ 5,506,130</u> | <u>100</u> |

The notes to the Parent Company Only Finance Statements constitute an integral part of this Parent Company Only Finance Statement.

Chairman: Huang Hsing-Yang

Manager: Weng Chih-Li

Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Corporation  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
January 1 to December 31, 2020 and January 1 to December 31, 2019

Unit: NT\$ thousand  
(NTD for earnings per share)

| Items  | Note         | 2020              |           | 2019              |              |
|--|--------------|-------------------|-----------|-------------------|--------------|
|  |              | Amount            | %         | Amount            | %            |
| 4000 Revenue   | 6 (15) and 7 | \$ 749,533        | 100       | \$ 1,268,512      | 100          |
| 5000 Operating cost  |              | ( 609,928)        | ( 81)     | ( 669,589)        | ( 53)        |
| 5950 Net gross profit  |              | <u>139,605</u>    | <u>19</u> | <u>598,923</u>    | <u>47</u>    |
| Operating expenses   | 6 (19) (20)  |                   |           |                   |              |
| 6100 Selling expenses  |              | ( 11,413)         | ( 2)      | ( 10,433)         | ( 1)         |
| 6200 General and administrative expenses   |              | ( 92,851)         | ( 12)     | ( 102,345)        | ( 8)         |
| 6300 Research and development expenses   |              | ( 6,851)          | ( 1)      | ( 6,741)          | -            |
| 6000 Total operational expenses  |              | ( 111,115)        | ( 15)     | ( 119,519)        | ( 9)         |
| 6900 Operating profit  |              | <u>28,490</u>     | <u>4</u>  | <u>479,404</u>    | <u>38</u>    |
| Non-operating income and expenses  |              |                   |           |                   |              |
| 7100 Interest income   | 6 (16)       | 5,540             | 1         | 9,464             | 1            |
| 7010 Other income  | 6 (16)       | 463               | -         | 463               | -            |
| 7020 Other gains and losses  | 6 (17)       | ( 15,111)         | ( 2)      | 44,809            | 3            |
| 7050 Financing cost  | 6 (18)       | ( 2,848)          | ( 1)      | ( 4,857)          | -            |
| 7070 Shares of profit (loss) of subsidiaries, associates, and joint ventures accounted for using the equity method | 6(4)         | <u>180,100</u>    | <u>24</u> | <u>165,193</u>    | <u>13</u>    |
| 7000 Total non-operating income and expense  |              | <u>168,144</u>    | <u>22</u> | <u>215,072</u>    | <u>17</u>    |
| 7900 Profit before tax   |              | <u>196,634</u>    | <u>26</u> | <u>694,476</u>    | <u>55</u>    |
| 7950 Income tax expense  | 6(21)        | <u>12,764</u>     | <u>2</u>  | <u>( 126,833)</u> | <u>( 10)</u> |
| 8200 Net profit of this period   |              | <u>\$ 209,398</u> | <u>28</u> | <u>\$ 567,643</u> | <u>45</u>    |
| <b>Other comprehensive gain or loss</b>  |              |                   |           |                   |              |
| <b>Items that will not be reclassified to profit or loss:</b>  |              |                   |           |                   |              |
| 8311 Remeasurements of defined benefit plans   | 6 (11)       | ( \$ 6,990)       | ( 1)      | ( \$ 5,775)       | -            |
| 8310 Total amount of items that will not be reclassified subsequently to profit or income                          |              | ( 6,990)          | ( 1)      | ( 5,775)          | -            |
| <b>Items that may be reclassified to profit or loss</b>  |              |                   |           |                   |              |
| 8361 Foreign currency translation difference of financial statements of overseas business units                    | 6(4)         | ( 157,619)        | ( 21)     | ( 83,769)         | ( 7)         |
| 8360 Total amount of items that may be reclassified subsequently to profit or loss                                 |              | ( 157,619)        | ( 21)     | ( 83,769)         | ( 7)         |
| 8500 Total comprehensive income  |              | <u>\$ 44,789</u>  | <u>6</u>  | <u>\$ 478,099</u> | <u>38</u>    |
| Earnings per share   | 6 (22)       |                   |           |                   |              |
| 9750 Basic earnings per share  |              | \$                | 1.54      | \$                | 4.17         |
| 9850 Diluted earnings per share  |              | \$                | 1.52      | \$                | 4.11         |

The notes to the Parent Company Only Finance Statements constitute an integral part of this Parent Company Only Finance Statement.

Chairman: Huang Hsing-Yang

Manager: Chih-Li Weng

Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Corporation  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
January 1 to December 31, 2020 and January 1 to December 31, 2019

Unit: NT\$ thousand

|  | Note   | Share            | Capital surplus | Retained earnings |                 |                        | Conversion from<br>financial statements<br>of foreign operations<br>Exchange difference | Total equity     |
|--|--------|------------------|-----------------|-------------------|-----------------|------------------------|---|------------------|
|  |        |                  |                 | Legal reserve     | Special Reserve | Undistributed earnings |   |                  |
| <u>2019</u>  |        |                  |                 |                   |                 |                        |   |                  |
| Balance as of January 1, 2019                                      |        | 1,362,617        | 366,243         | 604,109           | 67,932          | 2,135,595              | 37,915  | 4,574,411        |
| Net income in current period                                       |        | -                | -               | -                 | -               | 567,643                | -   | 567,643          |
| Net income in current period                                       | 6 (11) | -                | -               | -                 | -               | ( 5,775 )              | ( 83,769 )  | ( 89,544 )       |
| Total comprehensive gain or loss in current period                 |        | -                | -               | -                 | -               | 561,868                | ( 83,769 )  | 478,099          |
| Annual appropriation of net income and allocation of the year 2018 |        |                  |                 |                   |                 |                        |   |                  |
| Legal reserve provision  |        | -                | -               | 32,982            | -               | ( 32,982 )             | -   | -                |
| Reversal of special reserve  |        | -                | -               | -                 | ( 67,932 )      | 67,932                 | -   | -                |
| Cash dividend  | 6 (14) | -                | -               | -                 | -               | ( 163,514 )            | -   | ( 163,514 )      |
| Balance as of December 31, 2019                                    |        | <u>1,362,617</u> | <u>366,243</u>  | <u>637,091</u>    | <u>-</u>        | <u>2,568,899</u>       | <u>( 45,854 )</u>   | <u>4,888,996</u> |
| <u>2020</u>  |        |                  |                 |                   |                 |                        |   |                  |
| Balance as of January 1, 2020                                      |        | 1,362,617        | 366,243         | 637,091           | -               | 2,568,899              | ( 45,854 )  | 4,888,996        |
| Net profit   |        | -                | -               | -                 | -               | 209,398                | -   | 209,398          |
| Other comprehensive income   | 6 (11) | -                | -               | -                 | -               | ( 6,990 )              | ( 157,619 )   | ( 164,609 )      |
| Total amount of comprehensive income                               |        | -                | -               | -                 | -               | 202,408                | ( 157,619 )   | 44,789           |
| 2019 surplus distribution and allocation                           |        |                  |                 |                   |                 |                        |   |                  |
| Appropriated as Legal reserve                                      |        | -                | -               | 56,187            | -               | ( 56,187 )             | -   | -                |
| Appropriated as special surplus reserve                            |        | -                | -               | -                 | 45,854          | ( 45,854 )             | -   | -                |
| Cash dividend  | 6 (14) | -                | -               | -                 | -               | ( 204,392 )            | -   | ( 204,392 )      |
| Balance as of December 31, 2020                                    |        | <u>1,362,617</u> | <u>366,243</u>  | <u>693,278</u>    | <u>45,854</u>   | <u>2,464,874</u>       | <u>( 203,473 )</u>  | <u>4,729,393</u> |

The notes to the Parent Company Only Finance Statements constitute an integral part of this Parent Company Only Finance Statement.

Chairman: Huang Hsing-Yang

Manager: Chih-Li Weng

Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Corporation  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
January 1 to December 31, 2020 and January 1 to December 31, 2019

Unit: NT\$ thousand

|   | Note           | From January 1, 2020<br>to December 31, 2020 | From January 1, 2019<br>to December 31, 2019 |
|---|----------------|--|--|
| <b>Cash flow from operating activities</b>                                    |                |  |  |
| Current net profit before tax   |                | \$ 196,634                                   | \$ 694,476                                   |
| Adjusted items  |                |  |  |
| Income expense items  |                |  |  |
| Depreciation expenses   | 6 (5) (6) (19) | 192,450                                      | 285,635                                      |
| Amortization expenses   | 6 (8) (19)     | 5,871  | 1,942  |
| Interest expense  | 6 (6) (18)     | 2,848  | 4,857  |
| Interest income   | 6 (16)         | ( 5,540 )                                    | ( 9,464 )                                    |
| Disposition of plant, property, and equipment                                 | 6 (17) and 7   | ( 3,008 )                                    | ( 54,492 )                                   |
| The share of gains and losses of subsidiaries recognized by the equity method | 6(4)           | ( 180,100 )                                  | ( 165,193 )                                  |
| Changes in assets and liabilities relating to operating activities            |                |  |  |
| Net change in assets relating to operating activities                         |                |  |  |
| Contract assets   |                | ( 1,666 )                                    | ( 619 )                                      |
| Accounts receivable   |                | 189,015                                      | ( 40,098 )                                   |
| Accounts receivable - related parties   |                | ( 25,102 )                                   | ( 32,316 )                                   |
| Other receivables   |                | ( 2,637 )                                    | ( 55 )                                       |
| Other accounts receivable--related parties                                    |                | ( 4,685 )                                    | 7,400  |
| Prepayments   |                | 7,552  | 21,085                                       |
| Other current assets – other  |                | ( 833 )                                      | 313  |
| Net change in liabilities relating to operating activities                    |                |  |  |
| Accounts payable  |                | 407  | ( 6 )  |
| Other payables  |                | ( 44,225 )                                   | 16,091                                       |
| Other payables - related parties  |                | 83   | ( 549 )                                      |
| Provisions  |                | ( 1,118 )                                    | ( 1,483 )                                    |
| Other current liabilities   |                | ( 593 )                                      | 16,326                                       |
| Net defined benefit liability   |                | ( 1,391 )                                    | ( 1,388 )                                    |
| Other non-current liabilities   |                | 323,962                                      | 742,462                                      |
| Cash flow from operating activities   |                | 7,433  | 7,541  |
| Interest income received  | 6(4)           | 148,674                                      | 113,224                                      |
| Dividends received  |                | ( 2,885 )                                    | ( 4,866 )                                    |
| Interest paid   |                | ( 127,877 )                                  | ( 85,686 )                                   |
| Income tax paid   |                | 349,307                                      | 772,675                                      |
| Net cash inflow from operating activities                                     |                |  |  |
| <b>Cash flow from investment activities</b>                                   |                | ( 1,224,790 )                                | ( 1,890,150 )                                |
| Increase in financial assets measured at amortized cost                       |                | 1,719,170                                    | 1,371,045                                    |
| Decrease in financial assets measured at amortized cost                       | 6 (23)         | ( 94,841 )                                   | ( 181,416 )                                  |
| Acquisition of property, plant, and equipment                                 |                | 4,840  | 57,545                                       |
| Amount from disposal of property, plant and equipment                         |                | ( 27,168 )                                   | ( 15,378 )                                   |
| Intangible assets acquired  |                | 14   | -  |
| Decrease of refundable deposits   |                | 377,225                                      | ( 658,354 )                                  |
| Net cash flow from investing activities (out)                                 |                |  |  |
| <b>Cash from financing activities</b>   |                |  |  |
| Short-term loans borrowed   | 6 (24)         | -  | 30,000                                       |
| Return of long-term borrowing   | 6 (24)         | ( 240,000 )                                  | ( 90,000 )                                   |
| Amount returned for long-term borrowing                                       | 6 (24)         | ( 24,848 )                                   | ( 111,308 )                                  |
| Increase in guarantee deposits  | 6 (24)         | 24   | 8  |
| Decrease in guarantee deposits  | 6 (24)         | ( 23 )                                       | ( 32 )                                       |
| Cash dividends paid   | 6 (14)         | ( 204,392 )                                  | ( 163,514 )                                  |
| Net cash (outflow) inflow from financing activities                           |                | ( 469,239 )                                  | ( 334,846 )                                  |
| Impacts of exchange rate on cash and cash equivalents                         |                | 409  | ( 409 )                                      |
| Decrease in cash and cash equivalents for the current year                    |                | 257,702                                      | ( 220,934 )                                  |
| Cash and cash equivalents at beginning of year                                | 6 (1)          | 210,866                                      | 431,800                                      |
| Cash and cash equivalents at end of year                                      | 6 (1)          | \$ 468,568                                   | \$ 210,866                                   |

The notes to the Parent Company Only Finance Statements constitute an integral part of this Parent Company Only Finance Statement.

Chairman: Huang Hsing-Yang

Manager: Weng Chih-Li

Accounting Officer: Liu Kui-Chu

Attachment 4

Winstek Semiconductor Corporation

Table of mapping of provisions of the “Operational Procedures for Loaning of Company Funds” after amendments

| Original Article  | Articles after amendment   | Explanation  |
|---|--|--|
| <p>Article 2</p> <p>Entities to which the Company may loan funds:</p> <p>The Companys funds shall not be loaned to others. Provided, however, that the Companys funds loan to (1) the subsidiary in which the Company directly or indirectly holds 100% of shares (2) Another company which the Company has agreed to acquire and will become a subsidiary in which the Company holds 100% of shares after completion, and the relevant conditions and duration of loans are approved by the resolution of the Board of Directors and in accordance with Article 3 of the Regulations.</p> <p>The total amount of the Companys loans to others shall not exceed 30% of the net value of the Company in its most recent financial reports audited or reviewed by CPA. The amount of the Companys funds loaned to individual borrower shall not exceed 30% of the net value of the Company in its most recent financial reports audited or reviewed by CPA.</p> | <p>Article 2: Entities to which the Company may loan funds:</p> <p>The Companys funds shall not be loaned to others. Provided, however, that the Companys funds loan to (1) the subsidiary in which the Company directly or indirectly holds 100% of shares (2) Another company which the Company has agreed to acquire and will become a subsidiary in which the Company holds 100% of shares after completion, or (3) <u>the parent company or the ultimate parent company</u>, and the relevant conditions and term of the loan have been approved by the Board of Directors and meet the requirements in Article 3 of the Procedures.</p> <p>The total amount of the Companys loans to others shall not exceed 30% of the net value of the Company in its most recent financial reports audited or reviewed by CPA. The amount of the Companys funds loaned to individual borrower shall not exceed 30% of the net value of the Company in its most recent financial reports audited or reviewed by CPA.</p> | <p>Addition of the parent company and the ultimate parent company.</p> |
| <p>Article 3</p> <p>Managers and personnel in charge who violate the Regulations or the Procedures will be punished according the Companys "Reward and Punishment Regulations".</p> <p>The Manager and the personnel in charge shall follow the following fund lending procedures:</p> <p>1. When applying for a loan from the Company, the borrower shall provide the basic information and financial information, and fill in an application form specifying the</p>  | <p>Article 3: <u>The Companys loan extension operation and review procedures:</u></p> <p>1. <u>Application: When applying for a loan from the Company, the borrower shall provide its basic information and financial information, fill in the application form, and detail the loan amount, term and purpose. After accepting the application, the Company shall evaluate the business, financial</u></p>   | <p>Revision of the wording.</p>  |



|   |   |  |
|---|---|--|
| <p>amount, duration, purpose and the situation of providing guarantee of the loan.</p> <p>2. Duration of funds financing and interest calculation method: the duration of each loan is limited to one year. The lending rate of funds shall be flexibly adjusted based on the Company's capital cost, and shall not be lower than the highest rate of short-term borrowing from financial institutions. The interest collected on loans of the Company shall be calculated and collected on a monthly basis. In case of special circumstances, it may be adjusted according to the actual situation with the consent of the Board of Directors.</p> <p>3. After the loan is appropriated, the Company shall pay constant attention to the financial, business and related credit conditions of the borrowers and the guarantors, if any collateral is provided, the Company shall also pay attention to whether the guarantee value changes or not. In case of any major change, the Company shall immediately notify the chairman of the board and deal with it appropriately according to the instructions.</p> <p>4. The Company shall regularly publicly announce and declare the balance of loans of the Company and its subsidiaries in accordance with the provisions.</p> | <p><u>status, repayment ability, profitability and purpose of the borrower.</u></p> <p>2. <u>Loan approval: After evaluation, if the loan is to be approved, the handling personnel shall submit relevant documents to the Chairman for approval and process the loan after the approval of the Audit Committee and the resolution of the Board of Directors.</u></p> <p>3. Term of financing and interest calculation: The term of each loan is up to one year. The loan interest rate shall be adjusted as required according to the capital cost of the Company. It shall not be lower than the maximum interest rate of the Company's short-term loan from financial institutions. The interest on the Company's loan shall be paid once a month. In case of special circumstances, the Company may adjust the frequency according to the actual situation with the consent of the Board of Directors.</p> <p>4. <u>Register: When extending loans, the Company shall establish a register detailing the borrower, amount, date of Board of Directors approval, date of loan extension, term of financing and interest calculation method for future reference.</u></p> <p>5. <u>Measures for the continued control of loans extended and procedures for handling overdue claims:</u> After a loan is extended, frequent attention shall be paid to the borrowers financial, business and relevant credit status. In case of any significant change, the Chairman of the Board shall be immediately informed and the case properly handled according to the given instructions.</p> <p>6. <u>Announcement and declaration procedure:</u> the Company shall regularly announce and declare the loan balance of the Company and</p> |  |
|---|---|--|

|  |  |                           |
|--|--|---------------------------|
|  | <p>its subsidiaries in accordance with the provisions.</p> <p>7. <u>If the manager or relevant personnel of the Company violate the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" or the provisions of the Procedures, thus damaging the Companys rights and interests, they shall be punished or their positions adjusted in accordance with the relevant provisions of the competent authority and the Company.</u></p>   |                           |
| <p><b>Article 4</b></p> <p>Where a subsidiary of the Company intends to make loans to others, the Company shall instruct it to formulate its own Operational Procedures for Loaning Funds to Others in compliance with the Regulations, and it shall comply with the Procedures when loaning funds.</p> <p>The Company's financial reports are prepared in accordance with IFRS. The term "subsidiaries" in this program shall be determined according to the regulations stipulated in the financial report of securities issuer.</p> | <p><u>Article 4: Loans extended by subsidiaries</u></p> <p>Where a subsidiary of the Company intends to make loans to others, the Company shall instruct it to formulate its own Operational Procedures for Loaning Funds to Others in compliance with the Regulations, and it shall comply with the Procedures when loaning funds.</p> <p>The Company's financial reports are prepared in accordance with IFRS. The term "subsidiaries" in this program shall be determined according to the regulations stipulated in the financial report of securities issuer.</p> | Revision of the wording.  |
|  | <p><u>Article 5: Audit</u></p> <p><u>The Companys internal auditors shall audit the Procedures of Extending Loans to Others and the implementation status at least every quarter and make written records accordingly. If any major violation is found, they shall notify the Audit Committee and independent directors in writing.</u></p>  | New article.              |
| <p><b>Article 5</b></p> <p>The Procedures shall be approved by the Audit Committee and approved by board of directors by resolution, and shall be submitted to a shareholders meeting for approval; If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the directors dissenting opinion to a</p>  | <p><u>Article 6: The Procedures shall be approved by the Audit Committee and approved by board of directors by resolution, and shall be submitted to a shareholders meeting for approval; If any director expresses dissent and it is contained in the minutes or a written statement, the Company</u></p>   | Change of article number. |

|  |   |   |
|--|---|---|
| <p>shareholders meeting for discussion, the same applies when the Procedures are amended.</p> <p>When the Procedures are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors' meeting.</p> | <p>shall submit the directors dissenting opinion to a shareholders meeting for discussion, the same applies when the Procedures are amended.</p> <p>When the Procedures are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors' meeting.</p> |   |
|  | <p>Article 7: The Procedures were established on June 30, 2003.<br/> The first amendment was made on June 6, 2013.<br/> The second amendment was made on April 15, 2015.<br/> The third amendment was made on June 10, 2019.<br/> <u>The fourth amendment was made on June 7, 2021.</u></p>   | <p>Addition of the article number and revision dates.</p> |

Attachment 5

**Winstek Semiconductor Corporation**  
**Table of mapping of provisions of the Regulations Governing the Election of Directors after amendment**

| Original Article   | Articles after amendment  | Explanation  |
|--|---|--|
| <p>Article VI</p> <p>If the candidates in the election are also shareholders, voters shall put down the account title and account number in the field of “Candidate” of the ballot. If the candidates are not shareholders, put down the names and identity certification number of the candidates. Where the governments or institutional shareholders may be the candidates to the seats of Directors, put down the name of the government agency or the institutions in the field of Candidate of the ballot. The names of the representatives should also be marked down. If there are several representatives, put down their names one-by-one.</p>   | <p>Article VI:<br/>Deleted.</p>   | <p>This article is deleted with reference to the letter of amendment issued by the Taipei Exchange on June 12, 2020 referenced Cheng-Gui-Jian No. 10900582661 that a comprehensive nomination system shall be adopted for the election of directors.</p> |
| <p>Article VII:</p> <p>A ballot shall be invalid if any of the following applies:</p> <p>(I) The ballot used is not governed by This Regulations</p> <p>(II) Blank ballot in the ballot box .</p> <p>(III) The handwriting is blurred that cannot be identified or being marked for correction</p> <p>(IV) If the candidate is a shareholder, the account title and account number marked on the ballot are not relevant with the record of the shareholders’ roster. If the candidate is not a shareholder, the name and identity certification document were proved irrelevant.</p> <p>(V) Other wording was marked on the ballot in addition to the account title (name) and account number (identity certification number) of the candidate</p> <p>(VI) The account title (name) or shareholder account number (ID</p> | <p>Article VI:</p> <p>A ballot shall be invalid if any of the following applies:</p> <p>(I) The ballot used is not prepared by <u>the person with the convening right.</u></p> <p>(II) Blank ballot in the ballot box .</p> <p>(III) The handwriting is blurred that cannot be identified or is marked for correction.</p> <p>(IV) The candidate filled in is inconsistent with the one on <u>the list of director candidates.</u></p> <p>(V) Other wording was marked on the ballot in addition to the voting rights for the candidate.</p> <p>(VI) Two or more candidates were put down on the same ballot.</p> | <p>1. Change of article number.<br/>2. The revision is made with reference to the “Sample of Director Election Procedures of XX Co., Ltd.” issued by the Taipei Exchange.</p>  |

| Original Article  | Articles after amendment   | Explanation              |
|---|--|--------------------------|
| <p>card number) of the candidate has not been filled in.</p> <p>(VII) Two or more candidates were put down on the same ballot.</p> <p>The name of the candidate marked on the ballot is identical with another shareholder but no account title or identity certification number was marked down for identification.</p>  |  |                          |
| <p><u>Article VIII:</u></p> <p>The candidate nomination system is adopted for the election of directors of the company, and the board of shareholders shall select persons capable of disposing for the positions.</p> <p>The election, nomination procedures, qualifications and election method of the independent directors of the company shall be conducted in accordance with the provisions of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”; the voting rights of independent directors and non-independent directors shall be calculated separately according to the number of seats specified in the articles of association, and those with more voting rights shall be elected as independent directors and non-independent directors in order. If there are two or more candidates with the same number of voting rights but the prescribed number of seats has been exceeded, the electee shall be decided by lot drawing by those with the same number of voting rights; for those who are not present, the chairman shall draw the lots on their behalf.</p> | <p><u>Article VII:</u></p> <p>The candidate nomination system is adopted for the election of directors of the company, and the board of shareholders shall select persons capable of disposing for the positions.</p> <p>The election, nomination procedures, qualifications and election method of the independent directors of the company shall be conducted in accordance with the provisions of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”; the voting rights of independent directors and non-independent directors shall be calculated separately according to the number of seats specified in the articles of association, and those with more voting rights shall be elected as independent directors and non-independent directors in order. If there are two or more candidates with the same number of voting rights, but the prescribed number of seats has been exceeded, the electee shall be decided by lots drawn by those with the same number of voting rights; for those who are not present, the chairman shall draw the lots on their behalf.</p> | Change of article number |
| <p><u>Article IX:</u></p> <p>The ballots shall be counted on the scene immediately after balloting. The presiding officer <u>or his designated person</u> shall announce the result of the vote count on the scene.</p> <p>The scrutineers shall seal the ballots of the aforementioned election and affix seal, and keep the ballots in a safe place for at least 1 year. In case of legal proceedings instated by shareholders pursuant to Article 189 of the Company Act, the ballots shall be kept until the conclusion of the legal</p>  | <p><u>Article VIII:</u></p> <p>The ballots shall be counted on the scene immediately after balloting. The presiding officer <u>or his designated person</u> shall announce the result of the vote count on the scene.</p> <p>The scrutineers shall seal the ballots of the aforementioned election and affix seal, and keep the ballots in a safe place for at least 1 year. In case of legal proceedings instated by shareholders pursuant to Article 189 of the Company Act, the ballots shall be kept until the conclusion of the legal</p>   | Change of article number |

| Original Article  | Articles after amendment   | Explanation  |
|---|--|--|
| proceedings.  | proceedings.   |  |
| <p>Article X:<br/>The board of directors of the company shall issue a notice of election to the elected directors.</p>  | <p>Article IX:<br/>The board of directors of the company shall issue a notice of election to the elected directors.</p>  | Change of article number.  |
| <p>Article XI:<br/>Matters not specified in these Regulations shall be handled in accordance with the Company Act, the articles of association and relevant laws and regulations.</p>   | <p>Article X:<br/>Matters not specified in these Regulations shall be handled in accordance with the Company Act, the articles of association and relevant laws and regulations.</p>   | Change of article number.  |
| <p>Article XII:<br/>This set of Regulations shall come into force at the resolution of the Shareholders Meeting. The same procedure is applicable to any amendment thereto.<br/>This set of Regulations was instituted on 2002.05.28<br/>Amendment for the 1st instance on 2008.06.13<br/>Amendment for the 2nd instance on 2017.06.14<br/>Amendment for the 3rd instance on 2020.06.09</p> | <p><u>Article XI:</u><br/>This set of Regulations shall come into force at the resolution of the Shareholders Meeting. The same procedure is applicable to any amendment thereto.<br/>This set of Regulations was instituted on 2002.05.28.<br/>Amendment for the 1st instance on 2008.06.13.<br/>Amendment for the 2nd instance on 2017.06.14.<br/>Amendment for the 3rd instance on 2020.06.09.<br/><u>Amendment for the 4th instance on 2021.06.07.</u></p> | <p>1. Change of article number.<br/>2. Addition of revision dates.</p> |

## Attachment 6

### List of candidates to the seats of Directors:

| Name   | Education  | Work experience   | Quantity of shareholding |
|--|--|---|--------------------------|
| Ge Shing Corporation Representative: Min-Hung Wu | Department of Electronics, National Taiwan Technology of Institute | Director, Executive Vice President and CFO, Sigurd Microelectronics Corporation<br>Director, an investee of Sigurd Microelectronics Corporation<br>Director, Chen Jun Corporation<br>Representative of Institutional Director ENE Technology Inc.<br>Representative of Institutional Director Yan Yuen Investment Corporation<br>Chairman and Representative of Institutional Director Credit Forever<br>Director, Bloomeria limited, Singapore<br>Director, Winstek Semiconductor Technology Corporation | <b>70,726,438</b>        |

## Appendix 1

# Articles of Incorporation Winstek Semiconductor Corporation

## Chapter 1 General Provisions

- Article 1: The Company shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be "台星科股份有限公司." in the Chinese language. ("Winstek Semiconductor Corporation" in the English language).
- Article 2: The scope of business of the Company shall be as follows:
- I. CB01010 Machinery Manufacturing Industry.
  - II. CC01110 Data Storage and Processing Equipment Manufacturing Industry.
  - III. CC01070 Wireless Communication Machinery and Equipment Manufacturing Industry.
  - IV. CC01080 Electronic Components Manufacturing Industry.
  - V. E701010 Communication Engineering Industry.
  - VI. F401030 Manufacturing Export Industry.
  - VII. G801 010 Storage Industry.
  - VIII. I301010 Information Software Service Industry.
  - IX. I501010 Product Design Industry.
  - X. IZ99990 Other Industrial and Commercial Service Industry (R&D and Testing of Integrated Circuits, IC and Testing Units)
  - XI. F11919010 Electronic Materials Wholesale Business.
  - XII. F219010 Electronic Materials Retail Business.
  - XIII. ZZ99999 XIII. All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company may act as guarantor in favor of an external third party and make direct investment in other enterprises. The total direct investment may exceed 40% of the paid-in capital of the Company.
- Article 4: The Company is headquartered in Hsinchu County, and may establish branches in appropriate locations elsewhere where necessary. The Board shall determine the opening and shutdown of branches.
- Article 5: Public announcements of the Company shall be made in accordance with Article 28 of the Company Law of the Republic of China.

## Chapter 2 Shares

- Article 6: The total capital stock of the Company shall be in the amount of NT\$4 billion, divided into 400 million shares with a par value of NT\$10 per share. The Board of Directors shall be authorized to paid-up in installments. A total of 12,500,000 shares among the above total capital stock NT\$125,000,000 shall be reserved for issuing employee stock options.
- Article 7: The shares of the Company are all registered shares, shall be numbered, and signed or



sealed by the directors on behalf of the Company, shall set forth the paragraphs of Article 162 in the Company Law of the Republic of China, and shall be issued upon the approval of the competent authority or its authorized issuance registration authority. The Company shall, upon the request of the securities depository institution, combine and issue large-denomination securities after the public issuance of stocks. The Company may be exempted from printing stocks after the public issuance of stocks. The shares issued in the preceding paragraph shall be registered or kept by the securities depository institution.

Article 8: The Company shall handle share registration and investors services in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent authority of securities and exchange.

Article 9: Share transaction is prohibited in the period of 60 days prior to the scheduled date of a regular session and 30 days prior to the scheduled date of a special session of the Shareholders Meeting, or 5 days prior to a dividends day or any other day of benefit payment.

Article 10: Employees of controlled entities or subsidiaries of the Company meeting specific condition as specified by the Board are entitled to the shares issued by the Company being repurchased.

Employees of controlled entities or subsidiaries of the Company meeting specific condition as specified by the Board are entitled to the Employee Stock Options (ESO) issued by the Company.

Employees of controlled entities or subsidiaries of the Company meeting specific condition as specified by the Board are entitled to subscribe new shares issued by the Company.

Employees of controlled entities or subsidiaries of the Company meeting specific condition as specified by the Board are entitled to restricted shares for employees issued by the Company.

### **Chapter 3 Shareholders Meeting**

Article 11: The Shareholders Meeting may convene in regular session and special session. Regular session will be held within 6 months after the end of a fiscal year. Special session will be held at any time where necessary.

The Board shall call for the aforementioned convening of the Shareholders’ Meeting unless the Company Act provides otherwise.

Article 12: Shareholders shall be informed of the convention of the Shareholders’ Meeting in correspondence or through electronic mean 30 days prior to the scheduled date of a regular session and 15 days prior to the schedule date of a special session. The session, and place, and the cause of the convention shall be noted in the notice of convening. Shareholders holding less than a round lot (1,000 shares) could be informed of the convening of Shareholders’ Meeting by other means as provided by law through announcement.

Article 13: Shareholders are entitled to one vote for the holding of each share unless the shares in their holding bear no voting rights under Article 179 of the Company Act.

Article 14: The Chairman shall preside over the Shareholders’ Meeting. In the absence of the Chairman, a Director appointed by the Chairman shall act as the presiding officer. If no Director has been appointed as the presiding officer, the Directors shall nominate 1 among themselves to preside over the Shareholders’ Meeting. Where a third party (parties) may call for the convention of the Shareholders’ Meeting, the convener shall act as the presiding officer. If there are 2 or more parties calling for the convention, 1 should be nominated among these

parties to preside over the Shareholders' Meeting.

Article 15: Except as provided in the Company Law of the Republic of China, shareholders meetings may be held if attended by shareholders representing more than one half of total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

According to regulatory requirements, shareholders may vote via a written form or an electronic voting system.

The resolutions of the shareholders meeting shall be recorded in the minutes and shall be signed by or sealed with the chop of the chairman of the meeting. Such minutes shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The distribution of the minutes of shareholders meeting may be affected by means of public announcement.

#### **Chapter 4 Directors, Board of Directors and Audit Committee**

Article 16: The Company shall establish 9 to 11 seats of Directors who shall be organized into the Board of Directors. Directors shall be elected from candidates on the nomination list, and each will have a term of 3 years in office, and may assume a new term of office if reelect.

Of the aforementioned seats of Directors, at least 3 seats shall be reserved for Independent Directors. The Company adopts the candidate nomination system for the election of Directors. The election of Directors and Independent Directors will be held simultaneously and the votes cast will be count separately for the candidates elected to the seats. The professional qualification, state of shareholdings, limitation of holding part-time position, the method of nomination and election of Independent Directors, and other matters of compliance shall be governed by applicable rules and regulations of the competent authority of securities and exchange. The ratio of total shareholding by all Directors shall be governed by applicable rules and regulations of the competent authority of securities and exchange.

Article 17: The Company has established the Auditing Committee pursuant to Article 14-4 of the Securities and Exchange Act. All members of the committee are Independent Directors. The duties of the committee members, the organization charter, the authority and other matters of compliance shall be governed by applicable rules and regulations of the competent authority and the Articles of Incorporation of the Company.

The Company may establish other functional committees under the law and as needed.

Article 18: The Directors shall be organized into the Board of Directors and the Chairman shall be elected among the Directors in a session with the presence of at least 2/3 of the Directors and approved by a simple majority of the Directors in session. The Chairman shall act on behalf of and in the name of the Company externally.

Article 19: The powers and authority of the Board of Directors are as below:

- I. Decision of the Business Plans
- II. Review important rules and contracts.
- III. Establishment and abolition of branches.
- IV. Preparation of budgets and final accounts.
- V. Appointment and dismissal of key employees.

- VI. Decision of material borrowings of the Company.
- VII. Decision of material business and investment of the Company.
- VIII. Decision of employee stock subscription method.
- IX. Others as dictated by the Company Act, applicable rules and regulations of the competent authority, and the Articles of Incorporation of the Company.

Article 20: Unless otherwise provided for in the Company Law of the Republic of China, the Board of Directors shall be convened by the chairman of the board who shall be the chairman of Board of Directors. In case the chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the chairman of the Board of Directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the Board of Directors. Board Meetings shall be convened with specific reasons and each director shall be notified seven days prior to the meeting in written form, by email or fax. If any emergency occurs, the Board of Directors meeting may be convened at any time in written form, by email or fax.

Article 21: Unless otherwise provided for in the Company Law of the Republic of China, the resolution at the Board of Directors shall be adopted by a majority of the directors' present who represent majority of all directors.

Article 22: When a Director is unable to attend a board meeting in person for any cause, he/she shall appoint another director to attend such meeting. However, when a director attends the Board of Directors as a proxy, he/she shall be appointed as a proxy for one other director only.

Article 23: The Board of Directors is authorized to determine the salary for the Chairman and the Directors, considering the extent and value of the services provided for the management of the Company and the standards of the industry.

Article 24: The Company shall take professional liability insurance for the protection of all Directors within their scope of duties in their term of office where necessary to diversify and reduce the risk of damage to all Directors, the Company and the shareholders and report to the nearest session of the Board.

### **Chapter 5 Manager**

Article 25: The Company may establish the positions for a number of managers to carry out the policies resolved by the Board and administer the operation of the Company in accordance with applicable laws. The appointment, dismissal and remuneration of the managers shall be governed by Article 29 of the Company Act.

### **Chapter 6 Accounting**

Article 26: The fiscal year of the Company starts on January 1 and ends on December 31 of each calendar year.

Article 27: At the end of each accounting year, the following reports shall be prepared by the Board of Directors, and submitted to the regular shareholders meeting for acceptance:

- I. Business Report.
- II. Financial Statements.

### III. Proposal Concerning Appropriation of Earnings or Covering of Losses.

- Article 28: The Company shall reserve 0.1%~15% of profits of the year as employees compensation. Where employees bonus is paid in stock or cash, the payees includes employees who meet certain criteria in the subsidiaries of the Company. However, in case of the accumulated losses, certain profits shall first be reserved to cover the losses.
- Depending on business circumstances, the Company shall appropriate no more than 3% of profits of the year as directors remuneration. However, in case of the accumulated losses, certain profits shall first be reserved to cover the losses.
- Article 29: The Company may , as required by the Company Act, proceed to distribution of earnings or offsetting carryforward loss at the end of the interim fiscal period.
- If new shares are offered as the mean for distribution of earnings as mentioned in the preceding paragraph, proceed to Article 240 of the Company Act. If cash is paid, the resolution of the Board for approval is required.
- The Company may have earnings for distribution or carryforward loss for offsetting in the first half of the fiscal year, and shall forward the Business Report and the Financial Statements to the Auditing Committee for review prior to the end of the second half of the fiscal year, and present to the Board for resolution.
- Article 30: If the Company has earnings after taxation, appropriate for offsetting carryforward loss, followed by the appropriation of the remainder of the earnings as legal reserve and may also appropriate for legal reserve where necessary. No further appropriation of legal reserve is necessary if the amount of legal reserve is equivalent to the paid-in capital. ° Where necessary, appropriate or reversespecial reserve, and pool up withundistributed earnings at the beginning of period, and retain specific portion as dictated by business need. The Board shall then prepare a proposal for the distribution of earnings, and refer to the Shareholders Meeting for resolution of bonus issue for the shareholders. The Company shall authorized the Board to determine if the shareholder dividend and bonus issue, additional paid-in capital or legal reserve, should be paid in cash, in whole or in part, in a session with the presence of at least 2/3 of the Directors and the approval by a simple majority of the Shareholders in session.
- Article 31: The dividends policy of the Company specified that, the Company shall pay dividend of no less than 10% of the after tax profit in consideration of the profit status of the year and the investment environment in the future, and factors such as capital requirements, capital budgeting, andoperation plans and also the financial structure and the dilution of the earnings. If the earnings per share falls below NT\$0.5, or the payment of dividend will result default, the Company shall retain the earnings and makes no dividend payment. The Company may distribute earnings as stock dividend or cash dividends where cash dividend shall not fall below 10% of the total dividends payment.

### **Chapter 7 Supplementary Provisions**

- Article 32: The Companys organizational rules and working rules are prescribed separately.
- Article 33: In regard to all matters not specified in these Articles of Incorporation, the Company Law of the Republic of China shall govern.
- Article 34: The Articles of Incorporation is duly instituted on 2000.04.21  
Amendment of the 1st instance on 2000.05.08  
Amendment of the 2nd instance on 2001.08.05  
Amendment of the 3rd instance on 2001.09.06

Amendment of the 4th instance on 2002.05.28  
Amendment of the 5th instance on 2003.06.30  
Amendment of the 6th instance on 2004.04.15  
Amendment of the 7th instance on 2005.06.23  
Amendment of the 8th instance on 2006.06.14  
Amendment of the 9th instance on 2007.06.13  
Amendment of the 10th instance on 2007.10.05  
Amendment of the 11th instance on 2009.06.26  
Amendment of the 12th instance on 2012.06.05  
Amendment of the 13th instance on 2015.09.22  
Amendment of the 14th instance on 2017.06.14  
Amendment of the 15th instance on 2019.06.10  
Amendment of the 16th instance on 2020.06.09

Winstek Semiconductor Corporation  
Chairman of the board: Huang Hsing Yang

## Appendix 2

### Winstek Semiconductor Corporation Rules and Procedures of Shareholders Meeting

- I. Shareholders Meeting of the Company (the "Meeting"), unless specified otherwise by regulations, shall be conducted in accordance with these Rules and Procedures. Any matter not provided in
- II. Shareholders attending the session of Shareholders' Meeting shall submit the sign-in card in lieu of sign-in. The number of votes cast shall include the quantity of shares represented by the sign-in cards submitted for proof of attendance and the votes by correspondence and electronic means in the calculation.
- III. Attendance and voting at a shareholders meeting shall be calculated based the number of shares.
- IV. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- V. If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.  
  
If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. If there are two or more conveners, one shall be elected between them by themselves.
- VI. Attorneys, PA, or related persons appointed by the Company shall attend a shareholders meeting in a non-voting capacity.  
  
Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- VII. The process of the Meeting shall be tape-recorded or videotaped and these tapes shall be preserved for at least 1 year.
- VIII. The chairman shall call the meeting to order at the time scheduled for the Meeting. If the number of shares represented by shareholders present at the Meeting has not yet constituted the quorum at the time schedules for the Meeting, the chairman may postpone the time for the Meeting. The postponement should be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be adopted in accordance with Article 175, paragraph 1 of the Company Law of the Republic of China.  
  
If during the process of the Meeting the number of outstanding shares represented by the shareholders becomes sufficient to constitute the quorum, the chairman may resubmit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.
- IX. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in

accordance with the agenda.

The above provisions apply mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

The shareholder cannot designate any other person as chairman and continue the meeting at the same or another place after the meeting is adjourned. However, if the chairman adjourns the Meeting in violation of the Rules and Procedures, the shareholders may designate, by a majority of the votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

- X. When a shareholder present at the Meeting would like to speak, a Speech Note should be filled out with summary of the speech, the shareholders number (or Attendance Card number), and the name of the shareholder. The sequence of speeches by shareholders would be decided by the chairman.

If a shareholder present at the Meeting submits a Speech Note but does not speak, no speech shall be deemed to have been made by such shareholder. When the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of other shareholders; otherwise the chairman shall stop such interruption.

- XI. Unless otherwise permitted by the chairman, each shareholder shall not speak more than twice (each time not exceeding 5 minutes) for each discussion item.

In case the speech of any shareholder violates the above rules or exceeds the scope of the discussion item, the chairman may terminate the speech of such shareholder.

- XII. Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one person to attend the Meeting.

When a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

- XIII. After the speech of a shareholder, the chairman may respond in person or appoint relevant personnel to respond.

- XIV. The chairman may announce to end the discussion of any resolution and put it into voting if the chairman regards it as appropriate.

- XV. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder of the Company.

The results of voting shall be announced on-site at the Meeting and placed on record.

- XVI. During the Meeting, the chairman may, at his discretion, set time for intermission. In the event of force majeure, the presiding officer may rule to discontinue the session, and announce for the time for the continuation of the session depending on the circumstance, or the Shareholders' Meeting may resolve to continue the session within 5 days thereafter without the necessity for notification or announcement. °

- XVII. Except otherwise specified in the Company Law of the Republic of China and the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted

and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman.

- XVIII. If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed rejected and no further voting is necessary.
- XIX. The chairman may conduct the disciplinary officers or the security guards to assist in maintaining order of the Meeting place. The disciplinary officers or the security guards shall wear badges marked "Disciplinary Officers" for identification purpose. Amplifying system may be installed at the meeting place. The presiding officer may stop any shareholders using other equipment not prepared by the Company in expression of their opinions. Shareholders who act in defiance of the parliamentary procedure or insubordinate to the corrective action of the presiding officer, to the effect that the session is hindered, the presiding officer may command the prefects or the security guards to escort the shareholders concerned to leave.
- XX. Anything not mentioned in this procedure shall be governed by the Company Act and other application laws.
- XXI. These Rules and Procedures shall be effective from the date it is approved by the Shareholders Meeting. The same applies in case of revision.



## Appendix 3

### Winstek Semiconductor Corporation

#### Regulations Governing the Election of Directors

- I. The election of the Directors of the Company is governed by the Regulations unless the law or the Articles of Incorporation provides otherwise.
- II. The Company adopted the cumulative voting system for the election of Directors. The names of the voters may be substituted by the attendance pass number printed on the ballots. Unless the Company Act provides otherwise, the holder of each share will be entitled to votes equivalent to the number of seats of Directors to be elected. Shareholders may cast the votes in favor of particular candidates or distribute the votes to different candidates. In the election of Directors, shareholders may cast vote by balloting and also adopt vote by correspondence or electronic mean to exercise their voting rights.
- III. The Board shall prepare the ballots for the election in the quantity equivalent to the number of Directors to be present in the session of the Board and mark down the votes on the ballots for release to the Shareholders in session. °
- IV. The Chairman shall appointed several scrutineers (who are also shareholders) and tally clerks to perform related duties as the election starts. °
- V. The Board shall prepare the ballot box and open the box for the inspection of the public before balloting. °
- VI. If the candidates in the election are also shareholders, voters shall put down the account title and account number in the field of “Candidate” of the ballot. If the candidates are not shareholders, put down the names and identity certification number of the candidates. Where the governments or institutional shareholders may be the candidates to the seats of Directors, put down the name of the government agency or the institutions in the field of Candidate of the ballot. The names of the representatives should also be marked down. If there are several representatives, put down their names one-by-one.
- VII. A ballot shall be invalid if any of the following applies:
  - (I) The ballot used is not prepared by the Board.
  - (II) Blank ballot in the ballot box .
  - (III) The handwriting is blurred that cannot be identified or being marked for correction
  - (IV) If the candidate is a shareholder, the account title and account number marked on the ballot are not relevant with the record of the shareholders’ roster. If the candidate is not a shareholder, the name and identity certification document number were proved irrelevant.
  - (V) Other wording was marked on the ballot in addition to the account title (name) and account number (identity certification number) of the candidate
  - (VI) The account title (name) or shareholder account number (Identification document number) of the candidate has not been filled in.
  - (VII) Two or more candidates were put down on the same ballot.

The name of the candidate marked on the ballot is identical with another shareholder but no account title or identity certification number was marked down for identification. °
- VIII. The Company adopts the candidate nomination system in the election of Directors. Candidates of

competence under law shall be elected by the Shareholders' Meeting as Directors.

The regulations of the Company governing the election, nomination procedure, qualification and appointment of Independent Directors shall be governed by the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and regulated by the number of seats allocated to Independent Directors for counting the voting rights of election of Directors and Independent Directors. Candidates who win a majority of the votes in descending order will be elected to the seats of Independent Directors and Directors. If there are two or more candidates earning the same number of votes but there is no more seats available, they will be elected to the seats by lot drawing. The presiding officer shall draw the lot on behalf of those who are absent from the scene.

The votes as specified in the preceding paragraph shall be counted on the basis of the votes cast at the venue of the Shareholders' Meeting, votes by correspondence, and electronic balloting.

- IX. The ballots shall be counted on the scene immediately after balloting. The presiding officer shall announce the result of the vote count on the scene, including the list of candidates elected to the seats of Directors and votes won.

The scrutineers shall seal the ballots of the aforementioned election and affix seal, and keep the ballots in a safe place for at least 1 year. In case of legal proceedings instated by shareholders pursuant to Article 189 of the Company Act, the ballots shall be kept until the conclusion of the legal proceedings.

- X. The Director Elects will receive a notice of election to office from the Company. ◦
- XI. Anything not covered by the Regulations shall be governed by the Company Act, the Articles of Incorporation of the Company, and other applicable laws.
- XII. The Regulations shall come into force at the resolution of the Shareholders Meeting. The same procedure is applicable to any amendment thereto.

This set of Regulations was instituted on 2002.05.28

Amendment for the 1st instance on 2008.06.13

Amendment of the 2nd instance on 2017.06.14

Amendment for the 3rd instance on 2020.06.09

## **Appendix 4**

### **Note to motions presented by shareholders in this regular session of Shareholders' Meeting:**

- I. According to Article 172-1 of the Company Act, shareholders who hold more than 1% of the outstanding shares issued by the Company may present motions to the regular session of the Shareholders' Meeting of the Company. Each motion is limited to 300 characters.
- II. The Company will accept motions presented by shareholders for this regular session of Shareholders' Meeting from 2021.04.02 to 2021.04.12, and has disclosed related information at MOPS as required by law.
- III. The Company did not receive any shareholder proposals during the period of acceptance.

## Appendix 5

### Shareholding situation of all directors:

#### Winstek Semiconductor Corporation

Shareholding situation of all directors

Unit: shares

| Position                               | Name  | Number of shares held | Shareholding ratio: |
|--|---|-----------------------|---------------------|
| Chairman of the board                  | Ge Shing Crporation<br>Representative: Huang Hsing Yang | 70,726,438            | 51.90%              |
| Director                               | Ge Shing Crporation<br>Representative: Yeh Tsan Lian    |                       |                     |
| Director                               | Ge Shing Crporation<br>Representative: Kuo Hsu Tun      |                       |                     |
| Director                               | Ge Shing Crporation<br>Representative: Hsieh Chao Hung  |                       |                     |
| Director                               | Weng Chih Li  | 571,507               | 0.42%               |
| Independent Director                   | Lin Min Kai   | -                     | -                   |
| Independent Director                   | Wei Jen Yu  | -                     | -                   |
| Independent Director                   | Wen-chou Vincent Wang                                   | -                     | -                   |
| Number of shares held by all directors |   | 71,297,945            | 52.32%              |

#### Note:

- The information listed in the table is the number of shares held by individual and all directors in the shareholders book as at the book closure day of the 2021 regular shareholders meeting (April 9, 2021).
- The statutory share ownership ratios of the directors of the Company are as follows:
  - Total shares issued on April 9, 2021: 136,261,659 common stock shares
  - The statutory number of shares held by all directors is 8,175,699, and as of April 11, 2021, the number of shares held by all directors is 71,297,945.
  - The Company has established an Audit Committee and therefore there is no statutory number of shares held by the supervisor applicable.
  - The shareholding of all directors of the Company has been in compliance with the percentage of the ownership ratios standard as set forth in the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”.