Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

2022 and 2021

(stock code 3265)

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Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report for 2022 and 2021

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Winstek Semiconductor Co., Ltd.

Consolidated Financial Statements for Affiliated Companies

In year of 2022(from January 1, 2022 to December 31, 2022), 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 International 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 Co., Ltd.

Person in Charge: Huang Hsing-Yang

March 6, 2023

Independent Auditors' Report

(112) PWCR 22002995

To Winstek Semiconductor Co., Ltd.:

Audit Opinion

The consolidated balance sheet on December 31, 2022 and December 31, 2021 consolidated composite income sheet, consolidated statement of changes in equity, combined statement of cash flows from January 1, 2022 to December 31, 2021, 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"), have been audited by CPA.

According to our CPAs' opinion, the financial reports of the said Company are prepared in accordance with these Regulations Governing the Preparation of Financial Reports by Securities Firms approved by the Financial Supervisory Commission and are also prepared, governed, interpreted with International Financial Reporting Standards (IFRS), and International Accounting Standards (IAS) to sufficiently state financial statuses of Winstek Group between December 31, 2021 and 2022 as well as consolidated financial performance and cash flow of the Group from January 1, 2021 to December 31, 2022.

Basis of 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 in the ROC. Below, our CPAs will further explain the responsibilities auditors shall execute during the audit of consolidated financial statements under the above principles. The personnel of our accounting firm who are subject to independent regulations have acted in accordance with the ROC CPA Code of Professional Ethics to remain highly neutral from Winstek Group, 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 auditor's opinion.

Key Audit Matters

The key audit matters refer to those most material items when auditing the combined financial statements of the year 2022 of Winstek Group, based on the professional judgment of the CPA. The said matters have been expressed when we audited the consolidated financial statements and when we established the auditor's opinion. We will not express any personal opinion on any of the matters.

The key audit matters of the consolidated financial statements of the year 2022 of Winstek Group are as follows:

Audits of Real Estate, Plant, and Equipment Capitalization

Matter description

Winstek Semiconductor Co., Ltd. and Subsidiaries increase capital expenditures along with their operations. Please refer to Note 4 (XIII) of the consolidated balance sheet for accounting polices related to items of real estate, plants, and equipment and Note 6(V) for description of items related to real estate, plants, and equipment. The amount of capital expenditure of real estate, plants, and equipment in this year is significant, and 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 and 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 Co., Ltd. has prepared the individual financial report of the year 2022 and 2021, 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 and the governance units shall be conducting necessary internal control to ensure that the Group is prepared in accordance with these Regulations Governing the Preparation of Financial Reports by Securities Firms approved by the Financial Supervisory Commission and are also prepared, governed, interpreted with International Financial Reporting Standards (IFRS), and International Accounting Standards (IAS) for avoidance of misleading, manipulated or major unfaithful expression of consolidated financial statements of the Group.

When preparing the consolidated financial statements, the management is also responsible for the assessment of Winstek Group'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 Group (including the Audit Committee) had the responsibility to supervise the financial reporting process.

The responsibility of CPAs when auditing Consolidated Financial Statements

Our objective when auditing the consolidated 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 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 consolidated financial statements such false contents would be considered significant.

CPAs observed the ROC Standards on Auditing and utilized auditor professional judgement and skepticism to conduct auditing. We have also executed the following tasks:

1. Identifying and evaluating likely risks from significant false contents in the consolidated financial 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 auditor's 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 Group.

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 management's 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 Group 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 auditor's report to remind users of the consolidated financial statements to look out for related disclosures in the consolidated financial 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 auditor's report. However, future events or circumstances may result in Winstek Group no longer being able for going concern.

5. Evaluating the overall expression, structure and contents of the consolidated financial statements (including related notes) and whether the consolidated financial statements could appropriately express related transactions and events.

6. Obtaining sufficient and appropriate audit evidence with regard to the finance of the individual entities in the group to establish our opinion about the consolidated financial statements. We were responsible for guiding, supervising, and executing the audit work for the group and also establishing the auditor's 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 the 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 2022 consolidated financial statement of Winstek Group. We have clearly described the said matters in the auditor's report except 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 negative effects that would be greater than public good they might benefit.

PwC Taiwan

Hsieh Chih-Cheng

Certified public accountant

Chiang Tsai-Yen

Financial Supervisory Commission (FSC)
Approved certificate No. 0990042599
FSC Approved Certificate No. 1060025097

March 6, 2023

Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

December 31, 2022 and 2021

Unit: NT$ thousand

	Assets	Notes	December 31, 2022			December 31, 2021		
				Amount	%		Amount	%
	Current assets							
1100	Cash and Cash Equivalents	6 (1)	$	1,719,592	23	$	1,603,413	25
1136	Financial assets on the basis of amortized cost – current	6 (2)		1,233,850	17		800,040	13
1140	Contracts Assets – current	6 (15)		35,202	1		22,510	-
1170	Net account receivables	6 (3)		915,405	12		761,947	12
1180	Account receivables – related parties – net	6 (3) and 7		2,088	-		991	-
1200	Other receivables			11,952	-		1,913	-
1210	Other receivables– related parties	7		-	-		2,097	-
1220	Income tax assets in the current period			-	-		32,791	-
130X	Inventory	6 (4)		97,808	1		104,848	2
1410	Prepayments			27,336	-		40,593	1
1470	Other current assets			9,043	-		7,287	-
11XX	**Total current assets**			4,052,276	54		3,378,430	53
	Non-current assets							
1535	Financial assets on the basis of amortized cost –noncurrent	6 (2) and 8		21,700	-		21,700	1
1600	Property, plant, and equipment	6 (5)		3,144,227	42		2,667,119	42
1755	Right of use assets	6 (6)		8,085	-		7,883	-
1780	Intangible assets	6 (8)		157,910	2		121,992	2
1840	Deferred income tax assets	6 (22)		24,679	1		21,554	-
1900	Other non-current assets	6 (24)		44,998	1		119,573	2
15XX	**Total non-current assets**			3,401,599	46		2,959,821	47
1XXX	**Total assets**		$	7,453,875	100	$	6,338,251	100

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Winstek Semiconductor Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: NT$ thousand

	Liability and shareholder's equity	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities					
2130	Contract liabilities -current	6 (15)	$ 4,861	-	$ -	-
2170	Account payables		72,120	1	99,450	2
2180	Account payables –related parties	7	-	-	646	-
2200	Other payables	6 (9)	448,485	6	497,744	8
2220	Other payables –related parties	7	239	-	93	-
2230	Income tax liabilities in the current period		165,023	2	68,585	1
2250	Provision for liabilities – current		11,066	-	9,144	-
2280	Leasehold liabilities – current		1,844	-	2,561	-
2320	Current portion of long-term liabilities	6 (10)	53,180	1	-	-
2399	Other current liabilities – others		5,668	-	5,358	-
21XX	**Total current liabilities**		762,486	10	683,581	11
	Non-current liability					
2540	Long-term loans	6 (10)	792,820	11	746,000	12
2570	Deferred income tax liabilities	6 (22)	14,577	-	338	-
2580	Leasehold liabilities –non-current		6,001	-	5,517	-
2640	Defined benefit liabilities – non-current	6 (11)	17,628	-	26,638	-
2670	Other non-current liabilities – others		6,447	-	266	-
25XX	**Total non-current liabilities**		837,473	11	778,759	12
2XXX	**Total liabilities**		1,599,959	21	1,462,340	23
	Equity					
	Capital	6(12)				
3110	Capital from ordinary share		1,362,617	18	1,362,617	21
	Capital reserve	6(13)				
3200	Capital surplus		366,243	5	366,243	6
	Retained earnings	6(14)				
3310	Legal reserve		752,782	10	713,519	11
3320	Special reserve		282,069	4	203,472	3
3350	Undistributed earnings		3,005,929	41	2,512,130	40
	Other equity					
3400	Other equity		84,276	1	(282,070)	(4)
3XXX	**Total equity**		5,853,916	79	4,875,911	77
	Material commitments and contingencies	9				
	Significant subsequent events	11				
3X2X	**Total liabilities and equity**		$ 7,453,875	100	$ 6,338,251	100

The notes to the combined financial statements attached is part of the combined financial report for your reference.

Chairman of the Board: Huang Hsing-Yang Manager: Weng Chih-Li Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31 of 2022 and 2021

Unit: NT$ thousand

(except for unit of earnings per share which is NTD)

	Items	Notes	2022 Amount	2022 %	2021 Amount	2021 %
4000	Revenue	6(15) and 7	$ 3,947,152	100	$ 3,086,392	100
5000	Operating cost	6(4)	(2,641,788)	(67)	(2,374,827)	(77)
5950	Net gross profit		1,305,364	33	711,565	23
	Operating expenses	6(20)(21)				
6100	Selling expenses		(25,544)	(1)	(23,265)	(1)
6200	General and administrative expenses		(211,420)	(5)	(194,172)	(6)
6300	Research and development expenses		(11,534)	-	(13,737)	(1)
6000	Total operating expenses		(248,498)	(6)	(231,174)	(8)
6900	Operating profit		1,056,866	27	480,391	15
	Non-operating income and expenses					
7100	Interest income	6(16)	32,025	1	7,369	-
7010	Other income	6(17)	4,182	-	2,091	-
7020	Other gains and losses	6(18) and 7	30,239	1	(13,963)	-
7050	Financing cost	6(19)	(11,380)	(1)	(4,748)	-
7000	Total non-operating income and expenses		55,066	1	(9,251)	-
7900	**Profit before tax**		1,111,932	28	471,140	15
7950	Income tax expense	6(22)	(194,465)	(5)	(77,209)	(2)
8200	**Net profit of this period**		$ 917,467	23	$ 393,931	13

(To be continued on next page)

Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31 of 2022 and 2021

Unit: NT$ thousand

(except for unit of earnings per share which is NTD)

	Items	Notes	2022 Amount	2022 %	2021 Amount	2021 %
	Other comprehensive gain or loss					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Remeasurements of defined benefit plans	6(11)	$ 7,594	-	($ 1,298)	-
8310	Total amount of items that will not be reclassified subsequently to profit or income		7,594	-	(1,298)	-
	Items that may be reclassified to profit or loss					
8361	Foreign currency translation difference of financial statements of overseas business units		366,346	10	(78,597)	(3)
8360	Total amount of items that may be reclassified subsequently to profit of loss		366,346	10	(78,597)	(3)
8500	**Total consolidated profit/loss for the current period**		$ 1,291,407	33	$ 314,036	10
	Profit attributable to:					
8610	Owners of parent		$ 917,467	23	$ 393,931	13
	Total comprehensive income attributable to:					
8710	Proprietors of parent company		$ 1,291,407	33	$ 314,036	10
	Earnings per share	6(24)				
9750	Basic earnings per share		$ 6.73		$ 2.89	
9850	Diluted earnings per share		$ 6.66		$ 2.87	

The notes to the combined financial statements attached is part of the combined financial report for your reference.

Chairman of the Board: Huang Hsing-Yang　Manager: Weng Chih-Li　Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31 of 2022 and 2021

Unit: NT$ thousand

	Notes	Equity attributable to owners of parent company		Retained earnings				
	Notes	Share	Capital surplus	Legal capital reserve	Special capital reserve	Retained earnings	The balance of translation of the financial statements of foreign operating institutions	Total equity
January 1, 2021 to December 31, 2021								
Balance as of January 1, 2021		$ 1,362,617	$ 366,243	$693,278	$ 45,854	$ 2,464,874	($ 203,473)	$ 4,729,393
Net income in current period		-	-	-	-	393,931	-	393,931
Other comprehensive profit and loss in current period		-	-	-	-	(1,298)	(78,597)	(79,895)
Total comprehensive gain or loss in current period		-	-	-	-	392,633	(78,597)	314,036
Annual appropriation of net income and allocation of the year 2020	6(14)							
Appropriated as Legal reserve		-	-	20,241	-	(20,241)	-	-
Appropriated as special surplus reserve		-	-	-	157,618	(157,618)	-	-
Cash dividend		-	-	-	-	(167,518)	-	(167,518)
Balance as of December 31, 2021		$ 1,362,617	$ 366,243	$713,519	$ 203,472	$ 2,512,130	($ 282,070)	$ 4,875,911

Winstek Semiconductor Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31 of 2022 and 2021

Unit: NT$ thousand

		Equity attributable to owners of parent company						
				Retained earnings				
	Notes	Share	Capital surplus	Legal capital reserve	Special capital reserve	Retained earnings	The balance of translation of the financial statements of foreign operating institutions	Total equity
January 1, 2022 to December 31, 2022								
Balance as of January 1, 2022		$ 1,362,617	$ 366,243	$713,519	$ 203,472	$ 2,512,130	($ 282,070)	$ 4,875,911
Net income in current period		-	-	-	-	917,467	-	917,467
Other comprehensive profit and loss in current period		-	-	-	-	7,594	366,346	373,940
Total comprehensive gain or loss in current period		-	-	-	-	925,061	366,346	1,291,407
Annual appropriation of net income and allocation of the year 2021	6(14)							
Appropriated as Legal reserve		-	-	39,263	-	(39,263)	-	-
Appropriated as special surplus reserve		-	-	-	78,597	(78,597)	-	-
Cash dividend		-	-	-	-	(313,402)	-	(313,402)
Balance as of December 31, 2022		$ 1,362,617	$ 366,243	$752,782	$ 282,069	$ 3,005,929	$ 84,276	$ 5,853,916

The notes to the combined financial statements attached is part of the combined financial report for your reference.

Chairman of the Board: Huang Hsing-Yang Manager: Weng Chih-Li Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31 of 2022 and 2021

Unit: NT$ thousand

	Note	January 1 To December 31, 2022	January 1 To December 31, 2021
Cash flow from operating activities			
Current net profit before tax		$ 1,111,932	$ 471,140
Adjusted items			
Income and expense items			
Depreciation expenses	6(5), 6(6), and 6(20)	599,950	604,942
Amortization expenses	6 (8) (20)	39,452	24,825
Interest expense	6 (6) (19)	11,380	4,748
Interest income	6 (16)	(32,025)	(7,369)
Disposition of plant, property, and equipment	6 (18)	(3,045)	(4,209)
Accumulated impairment of plant, property, and equipment	6 (5) (18)	15,516	-
Government subsidies	6 (10) (17)	(3,738)	(1,628)
Changes in assets and liabilities relating to operating activities			
Net change in assets relating to operating activities			
Contract assets		(11,588)	(2,317)
Accounts receivable		(94,458)	(150,406)
Accounts receivable - related parties		(1,027)	661
Other receivables		(612)	557
Other receivables - related parties		2,249	(2,152)
Inventory		17,972	(38,778)
Prepayment		12,428	(12,350)
Other current assets		(1,611)	3,388
Net change in liabilities relating to operating activities			
Contract liabilities		4,717	(389)
Accounts payable		(36,789)	19,152
Account payable-related parties		(2,448)	1,318
Other payables		58,114	81,341
Other payables - related parties		(1,913)	958
Provisions		894	(1,387)
Other current liabilities		(20)	202
Net defined benefit liabilities		(1,416)	(1,478)
Other noncurrent liabilities		-	(3,336)
Cash flow from operating activities		1,683,914	987,433
Interest income received		17,365	8,141
Interest paid		(11,168)	(4,751)
Income tax paid		(86,453)	(27,248)
Net cash flow from operating activities		1,603,658	963,575

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Winstek Semiconductor Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31 of 2022 and 2021

Unit: NT$ thousand

	Notes	January 1 To December 31, 2022	January 1 To December 31, 2021
Cash flow from investment activities			
Financial assets measured at amortized cost		($ 2,916,240)	($ 1,530,475)
Disposal of financial assets measured at amortized cost		2,569,081	2,671,394
Acquisition of property, plant, and equipment	6 (24)	(994,243)	(1,613,386)
Intangible assets acquired	6 (8)	(74,246)	(95,009)
Disposal of property, plant, and equipment		4,367	8,608
Increases in refundable deposits		(1,014)	(1,013)
Decreases in refundable deposits		27	361
Net cash flow from investing activities (out)		(1,412,268)	(559,520)
Cash from financing activities			
Long-term loans borrowed		100,000	743,000
Repayment of long term loans		-	(427,500)
Increases in guarantee deposits		6,191	128
Decreases in guarantee deposits		(85)	(89)
Release principal repayment		(2,785)	(2,186)
Cash dividends paid	6(14)	(313,402)	(167,518)
Net cash outflow from financing		(210,081)	145,835
Impacts on exchange rates		134,870	(12,100)
Amount of cash and cash equivalents(decrease) increase		116,179	537,790
Cash and cash equivalents at beginning of year	6(1)	1,603,413	1,065,623
Cash and cash equivalents at end of year	6(1)	$ 1,719,592	$ 1,603,413

The notes to the combined financial statements attached is part of the combined financial report for your reference.

Chairman of the Board: Huang Hsing-Yang Manager: Weng Chih-Li Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

2022and 2021

Unit: NT$ thousand

I. Company History

Winstek Semiconductor Co., Ltd. (hereinafter referred to as "the Company") was established in April 26, 2000 in the ROC. The Company's shares were listed and traded at GreTai Securities Market in August 2005. The Company and its subsidiaries (hereinafter referred to as "the Group") are mainly engaged in the testing of integrated circuits, services of turnkey wafer bumping and wafer level packaging, and other related businesses.

The ultimate parent company of the Company was originally Temasek Holding Limited, and Sigurd Microelectronics Corporation (hereinafter referred to as "Sigurd Corporation") took control of the parent company Bloomeria Limited on October 13, 2017, and indirectly acquired 51.88% equity of the Company, becoming the ultimate parent company of the Company.

In consideration of the overall operation of the group, our parent company, Bloomeria Limited, transferred all its shares of the Company to the SIGWIN Corporation, a wholly-owned subsidiary of the ultimate parent on July 6 2020. As such SIGWIN Corporation becomes the parent of the Company.

II. Approval date and procedures of the financial statements

This consolidated financial statements were issued by the board of directors on March 6, 2023.

III. Application of New and Amended International Financial Reporting Standards (IFRS) and Interpretations

(I) The Company has adopted impacts of the newly amended effective International Financial Reporting Standards (IFRS) approved and promulgated by the Financial Supervisory Commission (FSC).

Table below lists newly announced, modified, and amended applicable principles and interpretations of IFRS approved and promulgated by the IFRS in 2022 :

The Standard, Interpretations and Amendments	Effective date issued by IASB
Amendments to "References to the Conceptual Framework" in IFRS 3	January 1, 2022
Amendments to "Property, Plant and Equipment: Proceeds before Intended Use" in IFRS 16	January 1, 2022
Amendments to "Onerous Contracts-Costs to Fulfill a Contract" in IFRS 37	January 1, 2022
Improvements during the cycle between 2018-2020	January 1, 2022

After evaluating the said principles and interpretation, there has been no significant impacts on the Group's financial status and performance.

(II) Effects of not yet applying the newly-announced and revised IFRSs endorsed by the FSC:

The following table compiles principles and interpretation of new announcement, amendment, and modification of IFRSs applicable in 2023 ratified by the FSC:

The Standard, Interpretations and Amendments	Effective date issued by IASB
Amendments to IFRS 1, "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IFRS 8, "Definition of Accounting Estimates"	January 1, 2023
Amendments to IFRS 12, "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023

After evaluating the said principles and interpretation, there has been no significant impacts on the Group's financial status and performance.

(III) Effects of IFRSs issued by IASB but not yet endorsed by the FSC:

The following table summarizes the new, amended, revised standards and interpretation of IFRSs that have been issued by IASB but not yet endorsed by the FSC:

The Standard, Interpretations and Amendments	Effective date issued by IASB
Amendment to IFRS 10 and IAS 28, "the disposal or investment in assets between Investors and its associates or joint ventures".	Pending on the decision of IASB
Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback"	January 1, 2024
IFRS 17, "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17, "Insurance Contracts".	January 1, 2023
Amendment to IFRS 17,"Initial application of IFRS 17 and IFRS 9 - comparative information"	January 1, 2023
Amendment to IAS 1, "Classification of current and noncurrent liabilities"	January 1, 2024
Amendments to IAS 1, "Classification of Liabilities as Current or Non-Current"	January 1, 2024

After evaluating the said principles and interpretation, there has been no significant impacts on the Group's financial status and performance.

IV. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards(IFRS), International Accounting Standards(IAS), interpretations and interpretation announcements (hereinafter referred to as IFRSs) stated in Regulations Governing the Preparation of Financial Reports by Securities Issuers and approved and promulgated effective by the Financial Supervisory Commission(FSC).

(II) Basis of preparation

1. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:

   Defined benefit liabilities recognized based on the amount of pension fund assets less net present value of defined benefit obligations.

2. Critical accounting estimates are required when preparing financial statements in compliance with IFRSs. When the Group adopts the accounting policies, the management is required to exercise judgments on highly judgmental or complex

items or significant assumptions and estimates with regards to this consolidated financial reports. Please refer to Note 5 for details.

(III) Basis of consolidation

1. Basis for preparation of consolidated financial statements:

(1) The Group includes all subsidiaries as entities in the consolidated financial statements. Subsidiaries refer to entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control, and are excluded from the consolidated financial statements from the date when such control ceases.

(2) Transactions, balances and unrealized gains or losses between companies within the Group are eliminated. Accounting policies of subsidiaries are adjusted, when necessary, to remain consistent with those of the Group.

(3) The components of profits and loss and other comprehensive income attributable to the owners of the parent company and uncontrolled equity. Comprehensive loss is also attributable to the owners of the parent company and uncontrolled equity even if a loss of the balance of the uncontrolled equity occurs.

(4) If the changes in the shares held by subsidiaries do not result in a loss of control (transactions with uncontrolled equities), accounted for as equity transactions, which means that it is the transactions with the owners. The difference deriving from the adjustment of the amount in uncontrolled equities and payment or the fair value in consideration shall be directly recognized as equity.

(5) If the Group loses its control over the subsidiaries, the residual investment of the former subsidiaries will be remeasured at fair value and recognized as the fair value of the financial assets at initial recognition or the cost of the initial investment in associates or joint ventures. The difference between fair value and book value shall be recognized as income in the current period. Amount previously recognized as other comprehensive incomes and amount related to the subsidiary shall be accounted for shall be the same as the direct disposal of assets or liabilities by the Group. In other words, if previously recognized as profit or loss under other comprehensive income, reclassify as income at the time of disposal of related assets or liabilities. If the control over the subsidiary extinct, the profit or loss will be reclassified as income under the reclassification.

2. Subsidiaries included in the consolidated financial statements:

			Percentage of equity held		
Name of investment company	Name of subsidiaries	Nature of business	December 31, 2022	December 31, 2021	Details
The Company	Winstek Semiconductor Technology	Services of turnkey wafer bumping and wafer level packaging	100%	100%	Note 2
The Company	TST Co., Ltd.	Plant development, leasing, and sales	100%	-	Note 1

Note 1: TST Co., Ltd. was established on May 10, 2022 and the Group invested the capital of $200,000 to acquire 100% ownership.

Note 2: Winstek Semiconductor Technology implemented a reduction of share capital on October 17, 2022 and returned the total amount of $1,000,000 to the Group, a reduction of 32.25%.

3. Subsidiaries not absorbed into the consolidated financial reports: none.

4. Adjustment for subsidiaries with different balance sheet date: none.

5. Significant restrictions: none.

6. Subsidiaries with material non-controlling interest to the Group: none.

(IV) Foreign currency translation

All items on the financial statements of each entity of the Group are measured at the currency of the principal economic environment in which the entity operates (i.e. functional currency). The consolidated financial statements are presented in NT$, which is the Company's functional and the Group's presentation currency.

1. Foreign currency transaction and balance

(1) Foreign currency transaction is translated to the functional currency by using the spot exchange rate on the trade date or measurement date. Any translation differences occurred are to be recognized in the current profit or loss.

(2) Balances of monetary assets and liabilities denominated in foreign currencies are adjusted at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from such adjustments are recognized in profit or loss.

(3) For non-monetary assets and liabilities denominated in foreign currency, if they are measured at FVTPL, they are adjusted using the spot exchange rate prevailing at the balance sheet date and any exchange differences arising therefrom are recognized in profit or loss; if they are measured at FVOCI, they are adjusted using the spot exchange rate prevailing at the balance sheet date

and any exchange differences arising therefrom are recognized in other comprehensive income; and if they are not measured at fair value, they are measured at the historical exchange rates on initial transaction dates.

(4) All exchange gains and losses are presented as “Other gains and losses” on the statement of comprehensive income.

2. Translation from Foreign Operations

The operating results and financial position of all the Company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) The assets and liabilities presented in each balance sheet are translated at the closing rate of the balance sheet date;

(2) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(3) All resulting exchange differences are recognized in other comprehensive income.

(V) Classification of current and non-current assets and liabilities

1. Assets that meet one of the following criteria are classified as current assets:

(1) Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(2) Assets held primarily for trading purposes;

(3) Assets that are expected to be realized within 12 months after the balance sheet date;

(4) Cash and cash equivalents, excluding those that are restricted, or to be exchanged or used to settle liabilities at least twelve months after the balance sheet date.

The Group classifies assets not meet the aforesaid criteria into non-current assets.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

(1) Liabilities that are expected to be settled within the normal operating cycle.

(2) The liability is held mainly for transaction purposes.

(3) Liabilities that are expected to be settled within 12 months after the balance sheet date;

(4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after balance sheet date. Settlement by the issue of equity instruments based on transaction party's choice does not impact classification.

The Group classifies liabilities not meet the aforesaid criteria into non-current liabilities.

(VI) Cash equivalents

Cash equivalents refer to the investments that are short-term, highly liquid, subject to a low risk of changes in value, and readily convertible to known amount of cash. Time deposits satisfying the afore-mentioned definition and for which the objective of holding is to meet the short-term operating cash commitment are classified as the cash equivalent.

(VII) Financial assets measured at amortized cost

1. Refer to those comply with all the following conditions:
   (1) The financial asset is held under a business model for the purpose of collecting contractual cash flow.
   (2) The cash flows on specific dates that are generated from the contractual terms of the financial assets are solely payments of the principle and interest on the principle amount outstanding.
2. The Group uses the trade day accounting for financial assets measured at amortized cost and complied with trade practices.
3. The Group originally recognized the financial assets measured at its fair value plus transaction costs. Subsequently, the Group recognized interest income and impairment loss within the period of circulation by adopting the effective interest method in accordance with the amortization procedure. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
4. The time deposits which are not complied with the definitions of cash equivalents held by the Group are measured by the amount of investment due to the short holding period and the immaterial influence of the discounting.

(VIII) Accounts receivable

1. Refers to the accounts which, as agreed in the contract, are entitled to unconditionally receive the amount of consideration for the transfer of commodity or services.
2. For the short-term accounts receivable with unpaid interest, the Group measures at the original invoice amount due to the immaterial influence of discounting.

(IX) Impairment of financial assets

The Group measures the loss allowance for financial assets measured at amortized cost after taking into account all reasonable and proving information (including foreseeing information) at each balance sheet date; where the credit risk has not significantly increased since initial recognition, the loss allowance is measured at the 12-month expected credit losses; where the credit risk has increased significantly since initial recognition, the loss allowance is measured at full lifetime expected credit losses; and where they are accounts receivables or contract assets that do not comprise any significant financing components, the loss allowance is measured at full lifetime expected credit losses.

(X) Derecognition of financial assets

The Group derecognizes an asset when its contractual rights to receive cash flows from the financial asset expire.

(XI) Operating lease (lessor)

Rental income from operating lease deducted any incentives given to the lessor was recognized as current profit and loss according to straight line method of amortization during the lease term.

(XII) Inventory

Inventory, as the accounting foundation of acquisition cost, is mainly consumed and transferred to cost of sales in the process of providing services. Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average cost method. The item by item approach is employed when evaluating the lower of costs and net realizable value. Net realizable value is the balance of estimated selling price in the normal operating course less the estimated cost of completion and applicable variable selling expenses.

(XIII) Property, plant, and equipment

1. Property, plant, and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
3. Land is not depreciated. The cost model is applied to other property, plant and equipment and these are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If the property, plant, and equipment comprise any significant components, they are depreciated individually.
4. In the end of each financial year, the Group reviews the residual value, useful life and depreciation method of each asset; if the expected values of the residual value and useful life are different from previous estimates, or the consumption patterns of

the future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of change. The estimated useful lives of property, plant, and equipment are as follows:

Housing and construction equipment	5 ~ 25 years
Machinery equipment	3 ~ 8 years
Office and other equipment	3 ~ 8 years

(XIV) Lease transactions of the lessee－use-of-right asset/lease obligations

1. Lease asset on the available day to the Group is recognized as use-of-right asset and lease obligations. When a lease contract belongs to short-term lease or low-value asset, it is recognized as expense according to straight-line method during the lease term.
2. Current value of lease obligations that are not paid on the beginning day of lease was converted into cash and recognized according to the Group's incremental borrowing rate of interest. Rental payment is fixed deducted any rental incentive collectable.

   The future interest method adopts the measurement of amortized cost method and recognized as interest expense during the leasing term. When there is a lease term or rental payment change resulting not from contract revision, lease obligations shall be re-evaluated and use-of-right asset shall be measured and adjusted accordingly.
3. Use-of-right asset shall be recognized according to the costs on the beginning day of lease and the costs include:
   (1) Initial measurement amount of lease obligations; and
   (2) Any initial direct costs arising.

   The cost model measurement is continuously adopted depending on the maturity of service life of right-of-use asset or termination of lease, which comes first, to amortize the depreciation amount. When lease obligations are re-evaluated, use-of-right asset shall adjust any re-measured amount of lease obligations.

(XV) Intangible asset

Computer software is recognized at acquisition cost, amortized by the straight-line method, with an estimated useful life of 3 to 5 years.

(XVI) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets for which there is an indication that they are impaired. An impairment loss is recognized for the amount when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When circumstances contributed to the recognition of impairment loss of an asset in the previous period do not exist or are decreased, the recognized impairment loss is reversed to the carrying amount of an asset to the extent that it does not exceed the carrying amount (net of depreciation and amortization) if the impairment loss had not been recognized.

(XVII) Loan

1. Refers to the long-term or short-term funds borrowed from a bank. Borrowings are recognized initially at fair value, net of transaction costs incurred. Subsequently, borrowing expenses are recognized in profit or loss based on the difference amounts between the proceeds (net of any transaction costs) and the redemption value that are amortized over the lives of borrowings using the effective interest method.
2. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. When there is no evidence of the possibility that some or all the facility will be drawn down, the fee is recognized as a pre-payment and amortized over the period of the facility to which it relates.

(XVIII) Accounts payable

1. Refers to the debts that incurred for the purchase of raw materials, commodity or services and notes payable that incurred by both operating and non-operating activities.
2. For the short-term accounts payable without paid interest, the Group measures them by the original invoice amount due to the immaterial influence of discount.

(XIX) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(XX) Liability reserve

Liability reserve is a current statutory or constructive obligation generated from a past event. It is likely that outflow of resources with economic benefit will be required to settle the obligation and the amount of the obligation shall be recognized when it can be estimated reliably. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used is a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the liability. The discounted amortization amount is recognized as interest expense. Provisions are not recognized for future operating losses.

(XXI) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and should be recognized as expenses in the period when the employees render service.

2. Pensions

   (1) Defined contribution plan

   For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in future payments.

   (2) Defined benefit plans

   A. The net obligation under a defined benefit plan is defined as the present value of pension benefits that employees will receive on retirement for their services with the Company in the current period or prior periods. The amount recognized is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is computed by independent actuaries every year using the projected unit credit method. The discount rate employed is the market yields on government bonds (at the balance sheet date).

   B. The re-measured amount of defined benefit plans is recognized in other comprehensive income as it arises and presented in retained earnings.

3. Compensation to employees and remuneration to directors and supervisors

   Compensation to employees and remuneration to directors and supervisors are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(XXII) Income Tax

1. Income tax expense comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other

comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

2. The income tax expenses are calculated on tax rates on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. For the income tax levied on retained earnings in accordance with the income tax law, it shall be recognized as retained earnings income tax expenses, based on the actual allocation status of surplus, after the surplus allocation plan has been approved in the shareholders' meeting in the following year of the year in which the surplus is generated.
3. Deferred income tax adopts the balance sheet approach. It is recognized as the temporary difference between the tax bases of assets and liabilities and their carrying amounts on the consolidated balance sheet at the reporting date. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
5. If tax rate changes occur in the interim, the Group recognizes all effects of changes to the period when such changes accrue; for income tax attributable to items not included in profit or loss, effects of changes are recognized in other comprehensive income or equity; and for income tax related to items included in profit or loss, effects of changes are recognized in profit or loss.

(XXIII) Share capital

Ordinary shares are classified as equity. The net amount of increased cost (directly attributed to the issue or warrant of new shares) less income tax, will be recognized as price reduction in equity.

(XXIV) Dividend distribution

The dividend allocated to the shareholders of the Company shall be recognized in the financial report during the resolution of the shareholders' meeting to distribute dividend, while cash dividends shall be recognized as liabilities.

(XXV) Revenue recognition

Income from labor services

The Group engages in testing of integrated circuits, and services of turnkey wafer bumping and wafer level packaging and other related businesses. If the following conditions are complied with: (a) with the performance of contract by enterprises, customers acquire and consume the benefits provided by enterprises; (b) the performance of contract by enterprises creates or strengthens the assets which are controlled by the customer during the performance process; (c) the performance of contract by enterprises does not create assets which are useful for other purposes, in addition to the presence of executable rights on the currently completed performance items, then the enterprise will gradually transfer control of the commodity or services over time, thus the performance obligations are gradually fulfilled and are recognized as income. The testing and packaging services provided by the Group meet the condition (b) above, hence they shall be recognized as revenue gradually over time by following the procedure of completion measurement on the performance obligations.

The Group has not adjusted the transaction price to reflect the time value of the currency, because the time interval between the transfer of the promised commodity or services to the customer and the customer's payment time has not exceeded one year.

(XXVI) Government subsidy

Government subsidy are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the government grant and will receive the grant. If the nature of the government grant is to compensate the expenses incurred by the Group, the government grant shall be recognized as the current profit or loss on a systematic basis during the period in which the relevant expenses are incurred.

(XXVII) Operating segment

The information on the operating segment of the Group and the internal management report presented to the key corporate decision-maker of the Group are presented in a consistent manner. Key corporate decision-makers are responsible for the allocation of resources to the operating segments and the evaluation of their performance.

V. <u>The primary sources of uncertainties in major accounting judgments, estimates, and assumptions</u>

When preparing the consolidated financial statements, management of the Group had determined its accounting policies based on its judgments and made accounting estimates and assumptions based on a rational expectation of future events depending on the circumstances at the balance sheet date. If there is any difference between any critical accounting estimates and assumption made and actual results, the historical experience, and other factors will be taken into account in order to continue assessment and adjustment. Such estimates and assumptions may result in a risk of a material adjustment to the carrying amount of assets and liabilities in the next year. The related information is addressed below:

(I) <u>Major judgments in adopting the accounting policies</u>

None.

(II) <u>Critical accounting estimates and assumptions</u>

None.

VI. <u>Descriptions of major accounting subjects</u>

(I) <u>Cash and cash equivalents</u>

	December 31, 2022	December 31, 2021
Cash on hand	$ 100	$ 100
Demand deposit	865,292	1,243,473
Time deposits	854,200	359,840
Total	$ 1,719,592	$ 1,603,413

1. The Group deals with financial institutions with good credit quality. The Group also deals with various financial institutions to diversify credit risks. Therefore, the expected risk of default is pretty low.
2. The Group has not pledged any cash or cash equivalents.

(II) <u>Financial assets measured at amortized cost</u>

Items	December 31, 2022	December 31, 2021
Current items:		
Time deposits	$ 1,233,850	$ 775,040
Pledged Time deposit	-	25,000
Total	1,233,850	800,040
Non-current items:		
Pledged Time deposit	$ 21,700	$ 21,700

1. The details of recognition of financial assets measured by amortized cost as gains

or losses are as follows:

	2022	2021
Interest income	$ 17,078	$ 6,475

2. The fixed deposits as of December 31 2022 and December 31 2021 of amount of $21,700 and $46,700, the purpose of which is limited by the customs guarantee are accounted in "financial assets measured at amortized cost - current" and "financial assets measured at amortized cost - non-current". Please refer to Note VIII for details.
3. For credit risk information, please refer to Note 12 (2).

(III) Accounts receivable

Items	December 31, 2022	December 31, 2021
Accounts receivable	$ 915,405	$ 761,947
Accounts receivable - related parties	2,088	991
Less: allowance for losses and bad debts	-	-
	$ 917,493	$ 762,938

The Group does not have accounts provided as hypothecation security.

1. Aging analysis of accounts receivable is stated as follows:

	December 31, 2022	December 31, 2021
Not overdue	$ 739,685	$ 688,974
≤30 days	52,582	69,981
31-90 days	124,664	3,978
91-180 days	25	5
More than 181 days	537	-
	$ 917,493	$ 762,938

The aging analysis above was based on the number of days overdue.

2. The account receivable balance as of December 31 2022 and December 31 2021 were generated from customer contracts, and the account receivable balance from customer contracts as of January 1 2021 amounted to $692,100.
3. The maximum exposure of credit risk of the group deriving from account receivables let alone the collaterals held or other enhanced credit amounted to $917,493 and $762,938 as of December 31 2022 and December 31 2021, respectively. For credit risk information, please refer to Note 12(2).

(IV) <u>Inventory</u>

	December 31, 2022	December 31, 2021
Raw materials	$ 107,054	$ 109,537
Allowance for price decline of inventories	(9,246)	(4,689)
Carrying amount	$ 97,808	$ 104,848

The cost of inventories recognized as expense for the period:

	2022	2021
Inventory cost and labor cost	$ 2,637,231	$ 2,374,803
Loss from falling price	3,840	24
Exchange Influence	717	-
	$ 2,641,788	$ 2,374,827

(V) Property, plant, and equipment

	2022					
	Land	Buildings	Machinery equipment	Office equipment and other equipment	Uncompleted construction and equipment to be tested	Total
Cost	$ 194,924	$ 855,179	$ 11,532,717	$ 1,460,234	$ 40,010	$ 14,083,064
Accumulated depreciation	-	(795,057)	(9,514,835)	(1,106,053)	-	(11,415,945)
	$ 194,924	$ 60,122	$ 2,017,882	$ 354,181	$ 40,010	$ 2,667,119
January 1	$ 194,924	$ 60,122	$ 2,017,882	$ 354,181	40,010	$ 2,667,119
Additions	45,545	10,467	833,635	39,326	7,423	936,396
Disposals	-	-	-	(1,322)	-	(1,322)
Reclassification	-	155	17,354	23,716	(41,225))	-
Depreciation expenses	-	(11,840)	(476,040)	(109,355)	-	(597,235)
Impairment loss	-	-	15,516	-	-	(15,516)
et exchange differences	-	-	130,530	23,052	1,203	154,785
December 31	$ 240,469	$ 58,904	$ 2,507,845	$ 329,598	$ 7,411	$ 3,144,227
December 31						
Cost	$ 240,469	$ 865,801	$ 12,955,908	$ 1,612,519	$ 7,411	$ 15,682,108
Accumulated depreciation	-	(806,897)	(10,448,063)	(1,282,921)	-	(12,537,881)
	$ 240,469	$ 58,904	$ 2,507,845	$ 329,598	$ 7,411	$ 3,144,227

	2021					
	Land	Buildings	Machinery equipment	Office equipment and other equipment	Equipment awaiting examination	Total
Cost	$ 194,924	$ 852,402	$ 10,842,170	$ $ 1,325,142	$ 15,231	$ 13,229,869
Accumulated depreciation	-	(795,275)	(9,564,292)	(1,101,560)	-	(11,461,127)
	$ 194,924	$ 57,127	$ 1,277,878	$ 223,582	$ 15,231	$ 1,768,742
January 1	$ 194,924	$ 57,127	$ 1,277,878	$ 223,582	$ 15,231	$ 1,768,742
Additions	-	13,310	1,258,032	221,552	40,010	1,532,904
Disposals	-	-	(249)	(4,150)	-	(4,399)
Reclassification	-	-	2,673	12,554	(15,227)	-
Depreciation expenses	-	(10,315)	(496,931)	(95,597)	-	(602,843)
Net exchange differences	-	-	(23,521)	(3,760)	(4)	(27,285)
December 31	$ 194,924	$ 60,122	$ 2,017,882	$ 354,181	$ 40,010	$ 2,667,119
December 31						
Cost	$ 194,924	$ 855,179	$ 11,532,717	$ 1,460,234	$ 40,010	$ 14,083,064
Accumulated depreciation	-	(795,057)	(9,514,835)	(1,106,053)	-	(11,415,945)
	$ 194,924	$ 60,122	$ 2,017,882	$ 354,181	$ 40,010	$ 2,667,119

Amount of capitalization and interest rate range of real estate, plants, and equipment borrowing costs:

	2022	2021
Amount of capitalization	$ -	$ 46
Interest rate range	-	0.98%~1.08%

(VI) Lease transactions－Lessee

1. Underlying assets of leased by the Group include any building and company vehicles. Normally, the lease term is between two to ten years. All lease contracts are negotiated individually and include various terms and conditions. Except for pledge and guarantee purposes, no other restrictions have been imposed.
2. The lease term of the Group for the leasing of building and transportation equipment is limited to 12 months. The low value subject matters of lease are buildings and machinery equipment.
3. Information of book value and depreciation expense of right-of-use asset is described below:

	December 31, 2022	December 31, 2021
	Book Value	Book Value
Building	$ 6,043	$ 4,478
Transportation Equipment (Company Vehicle)	2,042	3,405
	$ 8,085	$ 7,883

	2022	2021
	Depreciation Expense	Depreciation Expense
Building	$ 584	$ 508
Transportation Equipment (Company Vehicle)	2,715	2,099
	$ 584	$ 508

4. The addition of right of use assets in 2022 and 2021 amounted to $2,477 and $1,836 respectively.

5. Information of profit and loss items related to lease contracts is shown below:

	2022	2021
Items of influence of current profit and loss		
Interest expense of lease obligations	$ 76	$ 83
Expense of short-term lease	32,997	43,126
Expense of low-value asset lease	8,050	6,893

6. The total amount in cash outflow to rental expense of the Group in 2022 and 2021 amounted to $43,908 and $52,288, respectively.

(VII) Lease transactions－Lessor

1. Underlying assets of leased out by the Group include any buildings and generally, the lease term is five years. Lease contracts are negotiated individually and include various terms and conditions. Requirements are usually made for uses of asset rented for security purpose.
2. In 2022 and 2021, rental income has been recognized as $444 and $463 respectively according to operating lease contracts and there has been no change of lease payment change.
3. Analyses of maturity date of lease payment of operating lease of the Company is shown below:

	December 31, 2022		December 31, 2021
2023	463	2022	453
2024	463	2023	349
2025	434	2024	349
2026	291	2025	320
2027	234	2026	117
Total	$ 1,885	Total	$ 1,588

(VIII) Intangible asset

	2022 Computer software	2021 Computer software
January 1		
Cost	$ 289,606	$ 197,793
Accumulated amortization and impairment	(167,614)	(145,678)
	$ 121,992	$ 52,115
January 1	$ 121,992	$ 52,115
Add - derived from separate gain	74,246	95,009
Amortization	(39,452)	(24,825)
Net exchange differences	1,124	(307)
December 31	$ 157,910	$ 121,992
December 31		
Cost	$ 376,394	$ 289,606
Accumulated amortization and impairment	(218,484)	(167,614)
	$ 157,910	$ 121,992

The amortization details of intangible assets are as follows:

	2022	2021
Operating cost	$ 35,743	$ 21,540
Administrative expenses	3,709	3,285
	$ 39,452	$ 24,825

(IX) Other payables

	December 31, 2022	December 31, 2021
Bonus and salaries payable	$ 186,453	$ 145,968
Compensation payable to employees and remuneration payable to Directors and Supervisors	104,858	39,532
Payables on equipment	45,336	181,244
Others	111,838	131,000
	$ 448,485	$ 497,744

(X) Long-term loans

Loan type	Loan period and repayment method	Interest range	Collateral	Remark	December 31, 2022
Long-term bank loans					
Credit borrowing	From December 2, 2020 to November 15, 2025, to repay in installments over the period of the agreement	1.175%	None	Note	$ 196,000
Credit borrowing	From February 8, 2021 to January 15, 2026, to repay in installments over the period of the agreement	1.175%	None	Note	100,000
Credit borrowing	From April 8, 2021 to April 15, 2026, to repay in installments over the period of the agreement	1.161%	None	Note	150,000
Credit borrowing	From April 22, 2021 to April 15, 2026, to repay in installments over the period of the agreement	1.105%	None	Note	300,000
Credit borrowing	From July 19, 2022 to July 19, 2027, to repay in installments over the period of the agreement	1.550%			100,000
					846,000
Less: Long-term loans due within one year or one operating cycle					(53,180)
					$ 792,820

Loan type	Loan period and repayment method	Interest range	Collateral	Remark	December 31, 2021
Long-term bank loans					
Credit borrowing	From December 2, 2020 to November 15, 2025, to repay in installments over the period of the agreement	0.550%	None	Note	$ 196,000
Credit borrowing	From February 8, 2021 to January 15, 2026, to repay in installments over the period of the agreement	0.550%	None	Note	100,000
Credit borrowing	From April 8, 2021 to April 15, 2026, to repay in installments over the period of the agreement	0.500%	None	Note	150,000
Credit borrowing	From April 22, 2021 to April 15, 2026, to repay in installments over the period of the agreement	0.480%	None	Note	300,000
					746,000
Less: Long-term loans due within one year or one operating cycle					-
					$ 746,000

In 2021 and 2022, interest expenses of borrowing recognized were $11,290 and $4,699 respectively.

Note: On July 1, 2019, the Ministry of Economic Affairs implemented the "Accelerated Investment Action Plan for Enterprises Remaining in Taiwan". Enterprises can obtain subsidized loans from financial institutions for compliant investment projects at a preferential interest rate of 0.58%~0.80%. The company has been approved by the Ministry of Economic Affairs as being eligible for project loans and has signed a loan contract with a financial institution to obtain a total financing line of NT$746 million, with a credit period of five years. The funds obtained are used for newly purchased machinery and equipment and operating turnover. The Company's government loan subsidies recognized in 2021 and 2022 were $3,738 and $1,628 respectively (listed as "Other Income").

Credit loans

According to terms of credit contracts signed, before loans are paid back in full before the each credit duration, financial ratios and terms shall be maintained as summarized below:

1. Current ratio: the net current assets divided by the net current liabilities in the consolidated financial statements shall not be less than 100%.
2. Debt ratio: the total net liabilities plus contingent liabilities divided by tangible net value in the consolidated financial statements shall not be more than 100%.
3. Interest coverage ratio: the net profit before tax plus interest expenses plus depreciation expenses and amortization expenses divided by interest expenses in the consolidated financial statements shall not be less than 10 times.
4. Shares of Winstek Semiconductor Corporation held by Sigurd Corporation shall not be less than 51% and the directors must maintain more than half of the seats. Winstek Semiconductor Corporation holds no less than 100% of the shares of Winstek Semiconductor Technology Co., Ltd.
5. Net value of tangible assets shall not be lower than NT$3.8 billion.
6. The balance of deposit at the contract bank over the recent three months on average shall not be lower than NT$ 6 million.

The said financial commitment ratios use the consolidated financial statement audited or approved by the CPT quarterly as the calculation basis and the consolidated financial statement of the Group in 2022 and 2021 meet the requirement of the financial ratios.

(XI) Pension Funds

1. (1) The company and the subsidiaries in accordance with the provisions of the "Labor Standards Law," have made the method to define retirement allowance, which applies to the length of service of all regular employee before the implementation of "Labor Pensions Ordinance" on July 1, 2005, and the length of follow-up service of employee choosing to continue to apply to "Labor Standards Law" after the implementation of "Labor Pensions Ordinance." Pension payments for employees qualified for the aforementioned retirement criteria are calculated in accordance with the years of service rendered and the average salaries or wages of the last 6 months prior to retirement. Two bases are given for each full year of service over the first 15 years, and one base is given for an additional year of service thereafter, provided that the total bases do not exceed forty-five (45). The Company shall contribute 2% of the total salary to the pension fund on a monthly basis, which shall be deposited into an account of the Bank of Taiwan in the name of the Supervisory Committee of Workers' Pension Preparation Fund. Prior to the end of each annual period, the Company assesses the balance of the aforementioned designated account for the labor pension fund. If the balance is determined insufficient to pay off the pension amount computed by the aforementioned approach for employees qualified for retirement within next year, the Company will make a lump sum contribution to make up the shortfall before the end of March of the following year.

(2) Amounts recognized on the balance sheets are as follows:

	December 31, 2022	December 31, 2021
Present value of Defined Benefit obligations	$ 48,472	$ 53,897
Fair value of plan assets	(30,844)	(27,259)
Net defined benefit liabilities	$ 17,628	$ 26,638

(3) Changes in net defined benefit liabilities are as follows:

	2022		
	Present value of defined benefit obligations	Plan fair value of assets	Net defined benefit liabilities
2022			
Balance as of January 1	$ 53,897	($ 27,259)	$ 26,638
Interest expense (income)	404	(211)	193
	54,301	(27,470)	26,831
Remeasurement amount:			
Plan assets return (excluding amounts included in interest income or expenses)	-	($ 2,044)	(2,044)
Impacts of changes in financial assumptions	(3,771)	-	(3,771)
Experience adjustment	(1,779)	-	(1,779)
	(5,550)	(2,044)	(7,594)
Provision of pension funds	-	(1,609)	(1,609)
Pay pension	(279)	279	-
Balance as of December 31	$ 48,472	($ 30,844)	$ 17,628

	Present value of defined benefit obligations	Plan fair value of assets	Net defined benefit liabilities
2021			
Balance as of January 1	$ 52,400	($ 25,584)	$ 26,816
Interest expense (income)	262	(132)	130
	52,662	(25,716)	
Remeasurement amount:			
Plan assets return (excluding amounts included in interest income or expenses)	-	(316)	(316)
Impacts of changes in demographic assumptions	2,245	-	2,245
Impacts of changes in financial assumptions	(1,745)	-	(1,745)
Experience adjustment	1,114	-	1,114
	1,614	(316)	1,298
Provision of pension funds	-	(1,606)	(1,606)
Pay pension	(379)	379	-
Balance as of December 31	$ 53,897	($ 27,259)	$ 26,638

(4) The fund asset of the Company's defined benefit pension plan (hereinafter referred to as the "Fund") is entrusted to the Bank of Taiwan, which manages, or entrusts others to manage, the Fund in accordance with entrusted items enumerated in Article 6 of the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (i.e. deposit in domestic or foreign institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, and investment in domestic or foreign real estate and its securitization products) to the extent of limitations on investment percentage and amount as stipulated in the Fund's annual utilization plan. The status of utilization of the Fund is subject to supervision by the Labor Pension Fund Supervisory Committee. With regard to utilization of the Fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. In case any deficiency in the earnings arises, Treasury Funds can be used to cover the deficits after the approval of the competent authority. Since the Company has no right to participate in the operation and management of the Fund, it is not able to disclose the classification of the fair value of plan assets as required in IAS 19 paragraph 142. For the fair value of the total assets of the Fund as of 31 December, 2021 and 31 December, 2022, please refer to the various annual labor pension utilization reports issued by the government.

(5) Actuarial assumptions on pensions are summarized as follows:

	2022	2021
Discount rate	1.375%	0.750%
Future increase rate of wage	3.000%	3.000%

Future mortalities of 2021 and 2022 are assumed according Taiwanese Insurance Industry's 6^{th} Standard Ordinary Experience Mortality Table.

Effects of changes in the principal actuarial assumptions on present value analysis of defined benefit obligation are as follows:

	Discount rate		Future increase rate of wage	
	Increase of 0.25%	Decrease of 0.25%	Increase of 0.25%	Decrease of 0.25%
December 31, 2022				
The impact on present value of defined benefit obligations	($ 1,400)	$ 1,460	$ 1,413	($ 1,362)
December 31, 2021				
The impact on present value of defined benefit obligations	($ 1,721)	$ 1,800	$ 1,733	($ 1,667)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, many changes in assumptions may be linked together. The method used for the sensitivity analysis and calculation of the net defined benefit pension liability is the same. The method of analyzing sensitivity and the method of calculate net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of the sensitivity analysis for the current period are the same as those used in the previous period.

(6) The Group's projected allocation to the pension plan for the year 2023 is $1,644.

(7) As at 31 December 2022, the weighted average duration of the pension plan is 11.8 years. The analysis of the due dates of retirement allowance payment is as follows:

Within 1 year	$ 648
1 - 2 years	5,842
2 - 5 years	5,254
5-10 years	10,501
	$ 22,245

2. (1) As of July 1, 2005, the Company and its subsidiaries have, in accordance with the "Labor Pensions Ordinance," have made the method to define retirement allowance, which applies to local employees. Where the employees have elected to apply the labor pension system as stipulated in the Labor Pension Act, the Company and subsidiaries make a contribution in an amount equal to 6% of the employees' monthly salaries or wages to their individual accounts in the Bureau of Labor Insurance.

(2) The retirement allowance costs recognized by the Group under the above retirement allowance method were $29,216 and $26,994 respectively in the years of 2022 and 2021.

(XII) Share capital

On December 31, 2022, the Company's authorized capital was NT$4 million, divided into 400 million shares, and the paid-up capital was NT$1,362,617, with a face value of NT$ 10 per share. Share payments for the Company's issued shares have been collected in full.

Quantities of the Company's outstanding ordinary shares at the beginning and ending of periods were reconciled as follows:

Unit: 1,000 shares

	2022	2021
January 1/December 31	136,262	136,262

(XIII) Capital surplus

According to the provisions of the Company Act, over face value of share premium gifts of assets donated to additional paid-in capital for covering deficit. If there is no accumulated deficit in company, company shall issue new shares with existing shares or cash by ratio to shareholders According to the relevant provisions of the Securities Exchange Act, allocated capital from additional paid-in capital, its maximum not exceed the limit of 10% of the paid-up capital each year Company in surplus reserves to fill the capital loss still remains insufficient, may not be complemented by additional paid-in capital.

2022

	Issue premium	Difference in the share price and nominal value of the acquired or disposed shares in subsidiaries
January 1/December 31	$ 250,734	$ 115,509

2021

	Issue premium	Difference in the share price and nominal value of the acquired or disposed shares in subsidiaries
January 1/December 31	$ $ 250,734	$ 115,509

(XIV) Retained earnings

1. In accordance with the Articles of Association of the Company, if there is after-tax surplus in the annual accounts, 10% of the statutory capital reserve shall be appropriated after covering the loss of previous years, and the special capital reserve shall be appropriated as necessary. If there is still surplus, together with the accumulated undistributed surplus of the previous years, the Board of Directors may reserve a portion of the surplus based on the operating circumstances, and draw the allocation plan of net income and submit to the shareholders' meeting for resolution to distribute shareholder dividend. The Board of Directors authorized

will especially resolve to distribute part or all stock dividend and bonus in cash and report to the shareholders' meeting.

2. The dividend distribution policy of the Company shall consider the current surplus status of the Company and the future investment environment, the capital demand, capital budget plan and operating plan, etc., allocated according to the financial structure and the surplus dilution situation, the amount of which shall be not less than 10% of the net surplus after-tax in current year, but shall be retained and not assigned if the EPS is below NT$ 0.5 or dividend distribution will result in a breach of contract. The Company's surplus may be distributed as stock dividends or cash dividends, of which the cash dividends shall not be less than 10% of the total dividends.
3. The Board of Directors of the Company may at the end of a semi-accounting year, compile a business report, financial statements, and resolutions about surplus distribution or recovery of loss for the audit first by the Audit Committee and submission to the Board of Directors afterwards. When distributing surplus, tax payables, recovery of losses, and statutory surplus reserve as required by laws hall be estimated and reserved. But there shall be an exception when statutory surplus reserve exceeds the amount of paid-in capital. If distribution of the said surplus is provided via issuing of new stocks, it shall be handled according to Article 240 of the Company Law and the distribution in cash shall be resolved by the Board of Directors.
4. The statutory capital reserve shall not be used except to cover the Company's losses and to issue new shares or cash in proportion to the shareholders' original holdings. However, when new shares are issued or cash is distributed, the amount shall exceed 25% of the reserves of the paid-in capital.
5. By resolutions of the shareholders' meeting on June 8, 2022 and July 13, 2021, respectively, the Company adopted the following surplus allocation for the years of 2021 and 2020:

	2021		2020	
	Amount	Dividend per share (NT$)	Amount	Dividend per share (NT$)
Legal reserve	$ 39,263	$ -	$ 20,241	$ -
Special reserve	78,597	-	157,618	-
Cash dividend	313,402	2.30	167,518	1.23
Total	$ 431,262	$ 2.30	$ 345,377	$ 1.23

6. By a resolution of the Board of Directors on March 6, 2023, the Company adopted the following surplus allocation plan for the year 2022:

	2022	
	Amount	Dividend per share (NT$)
Legal reserve	$ 92,506	$ -
Special reserve	(282,069)	-
Cash dividend (Note)	681,308	5.00
Total	$ 491,745	$ 5.00

Note: For dividend distribution information, please refer to TWSE MOPS.

(XV) Revenue

	2022	2021
Revenue from customer contracts	$ 3,947,152	$ 3,086,392

1. Segments of revenue from contracts with customers

   The revenue of the Group is derived from the provision of services that are gradually transferred over time and can be categorized into the following main product lines:

2022	Testing income	Bumping income	Other services income	Total
Segment revenue	$ 1,806,954	$ 2,096,664	$ 43,534	$ 3,947,152
Revenue from external customer contracts	$ 1,806,954	$ 2,096,664	$ 43,534	$ 3,947,152
2021	Testing income	Bumping income	Other services income	Total
Segment revenue	$ 1,138,971	$ 1,919,593	$ 27,828	$ 3,086,392
Revenue from external customer contracts	$ 1,138,971	$ 1,919,593	$ 27,828	$ 3,086,392

2. Contract assets and liabilities

   The assets and liabilities associated with the client's contract revenue recognized by the Group are as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract assets:			
Contract assets - packaging testing	$ 35,202	$ 22,510	$ 20,529

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities			
Contract liabilities- unearned sales revenue	$ 4,861	$ -	$ 396

Beginning contract liabilities recognized as income:

	December 31, 2022	December 31, 2021
Contract liabilities	$ -	$ 396

(XVI) Interest income

	2022	2021
Interest from bank deposits	$ 14,947	$ 894
Interest income from financial assets at amortized cost	17,078	6,475
	$ 32,025	$ 7,369

(XVII) Other income

	2022	2021
Rental income	$ 444	$ 463
Government subsidy	3,738	1,628
	$ 4,182	$ 2,091

(XVIII) Other gains and losses

	2022	2021
Interests from disposal of property, plant, and equipment	$ 3,045	$ 4,209
Foreign exchange gains (losses)	39,274	(23,840)
Impairment losses of property, plant, and equipment	(15,516)	-
Other gains and losses	3,436	5,668
	$ 30,239	($ 13,963)

(XIX) Financial cost

	2022	2021
Interest expense	$ 11,290	$ 4,699
Other financial expenses	90	95
Capitalized interest	-	(46)
	$ 11,380	4,748

(XX) Additional information regarding the nature of expense

	2022	2021
Employee benefit expenses	$ 990,327	$ 818,372
Depreciation expenses of property, plant, and equipment	599,950	604,942
Amortization expense of intangible assets	$ 39,452	$ 24,825

(XXI) Employee benefit expenses

	2022	2021
Wages and salaries expenses	$ 856,876	$ 699,968
Labor and health insurance expenses	67,072	61,437
Pension expense	29,409	27,124
Other employment expenses	36,970	29,843
	$ 990,327	$ 818,372

1. According to the Articles of Association of the Company, if the Company earns profits during the year, 0.1%~15% of which shall be allocated to the employees bonus. If remuneration is in the form of a stock dividend or cash dividend, the employees of controlled entities or subsidiaries shall also be entitled. The Company shall appropriate for covering loss carried forward if applicable. If the company earns profits during the year, less than 3% of which shall be appropriated as directors' bonus depending on the operating circumstances. The Company shall appropriate for covering loss carried forward if applicable.
2. The Company estimated remuneration to employees in 2022 and 2021 amounting to $66,002 and $25,738, respectively, and estimated remuneration to Directors at $0 for both years. The above amount was presented under the account title of salary expense in the book.

   The Board resolved to pay out remuneration to employees and Directors amounting to $25,738 and $0 in 2021, which is relevant with the amount presented in the financial report of 2021.

Information on remuneration to employees and Directors passed by the Board is available and Market Observation Post Service.

(XXII) Income tax

1. Income tax expense

(1) Components of income tax expense:

	2022	2021
Current income tax:		
Income tax incurred in current period	$ 210,352	$ 92,656
Overestimation of prior year's annual income tax	(27,001)	(16,975)
Total income tax in the period	183,351	75,681
Deferred income tax:		
Initial recognition and reversal of temporary differences	11,114	1,528
Total deferred income tax	11,114	1,528
Income tax expense	$ 194,465	77,209

2. Relation between income tax expense and accounting profit

	2022	2021
Income tax calculated on net profit before tax by statutory tax rate (Note)	$ 222,386	$ 94,228
Expenses which shall be excluded in accordance with the provisions of the tax law	713	882
Overestimation of prior year's annual income tax	(27,001)	(16,975)
Other	(1,633)	(926)
Income tax expense	$ 194,465	$ 77,209

Note: The basis of applicable tax rate is 20% of applicable income tax rate in Taiwan.

3. The amount of assets or liabilities of deferred income tax resulting from temporary difference is shown below:

	2022		
	January 1	Recognized in profit and loss	December 31
Deferred income tax assets:			
- Temporary differences:			
Tax differentials in depreciation expenses	$ 12,197	$ 595	$ 12,792
Unrealized exchange loss	6,386	(1,574)	4,812
Compensations	1,829	384	2,213
Inventory allowance loss from falling price	991	768	1,759
Impairment losses of assets	-	3,103	3,103
Other	151	(151)	-
Subtotal	21,554	3,125	24,679
- Deferred income tax liabilities:			
Unrealized exchange gains	(338)	(14,106)	(14,444)
Other	(-)	(133)	(133)
Subtotal	(338)	(14,239)	(14,577)
Total	$ 21,216	($ 11,114)	$ 10,102

	2021		
	January 1	Recognized in profit and loss	December 31
Deferred income tax assets:			
- Temporary differences:			
Tax differentials in depreciation expenses	$ 11,602	$ 595	$ 12,197
Unrealized exchange loss	9,638	(3,252)	6,386
Inventory allowance loss from falling price	957	34	991
Other	2,163	(183)	1,980
Subtotal	24,360	(2,806)	21,554
- Deferred income tax liabilities:			
Unrealized exchange gains	(1,471)	1,133	(338)
Other	(145)	(145)	(-)
Subtotal	(1,616)	1,278	(338)
Total	$ 22,744	($ 1,528)	$ 21,216

4. The Company's business income tax has been audited and approved by the taxation authority until the year of 2020.

(XXIII) Earnings per share (EPS)

	2022		
	After-tax amount	Weighted average flow Number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit of this period attributable to the ordinary shareholders of the parent company	$ 917,467	136,262	$ 6.73
Diluted earnings per share			
Net profit of this period attributable to the ordinary shareholders of the parent company	917,467	136,262	
Impacts of dilutive potential ordinary shares			
Employee remuneration	-	1,595	
Impacts of net profits plus potential ordinary shares attributable to the ordinary shareholders of the parent company in the current period	$ 917,467	137,857	$ 6.66

	2021		
	After-tax amount	Weighted average flow Number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit of this period attributable to the ordinary shareholders of the parent company	$ 393,931	136,262	$ 2.89
Diluted earnings per share			
Net profit of this period attributable to the ordinary shareholders of the parent company	393,931	136,262	
Impacts of dilutive potential ordinary shares			
Employee remuneration	-	944	
Impacts of net profits plus potential ordinary shares attributable to the ordinary shareholders of the parent company in the current period	$ 393,931	137,206	$ 2.87

(XXIV) Additional information regarding cash flows

Investing activities with partial cash payments:

	2022	2021
Purchase of property, plant, and equipment	$ 936,396	$ 1,532,904
Add: payable on equipment at the beginning of period	181,244	146,656
Add: prepaid equipment at the end of the period(Note)	37,009	115,070
Less: payable on equipment at the end of the period	(45,336)	(181,244)
Less: prepaid equipment at the end of the period(Note)	115,070	-
Cash paid in the period	$ 994,243	$ 1,613,386

None: List on Other non-current assets

(XXV) Changes in financing liabilities

	2022			
	Leasing obligations	Long-term loans (note)	Deposit Received	Total liabilities from financing activities
January 1	$ 8,077	$ 746,000	$ 267	$ 754,344
Changes in cash flows from financing activities	(2,785)	100,000	6,106	103,321
Other non-cash changes:				
Interest costs	76	-	-	76
Impacts of exchange rate changes	-	-	75	75
Increase of current period	2,477	-	-	2,477
December 31	$ 7,845	$ 846,000	$ 6,448	$ 860,293

	2021			
	Leasing obligations	Long-term loans (note)	Deposit Received	Total liabilities from financing activities
January 1	$ 8,344	$ 430,500	$ 228	$ 439,072
Changes in cash flows from financing activities	(2,186)	315,500	39	313,353
Other non-cash changes:				
Interest costs	83	-	-	83
Impacts of exchange rate changes	-	-	-	-
Increase of current period	1,836	-	-	1,836
December 31	$ 8,077	$ 746,000	$ 267	$ 754,344

Note: include long-term loans due within one year or one operating cycle.

VII. Related-party transactions

(I) The parent company and the ultimate controlling party

The Group was previously controlled by Bloomeria Limited (incorporated in Singapore). It was eventually under the control of Ge-Shing Corporation Since July 6, 2020 after Bloomeria Limited has transfer all the equity shares under its holding holds 51.90% of the Company's shares. The ultimate parent company and the ultimate controlling entity of the Group is Sigurd Microelectronics Corporation (incorporated in Taiwan).

(II) Name and relation of affiliates

Name of related party	Relation with the Company
Sigurd Microelectronics Corporation	Ultimate parent
Bloomeria Limited	Parent company (before July 6, 2020)
SIGWIN Corporation	Parent company (after July 6, 2020)
Sirize Technology(Suzhou) Corporation	Affiliates
Sigurd UTC Corp.	Affiliates

(III) Major transactions between related parties

1. Operating revenue

	2022	2021
Operating revenue:		
Ultimate parent company	$ 8,735	$ 8,782

Income from labor service is processed according to the general transaction price and conditions, and the payment condition is 30-day monthly statement.

2. Receivables from related parties

	December 31, 2022	December 31, 2021
Accounts receivable		
Ultimate parent company	$ 2,088	$ 991
Other Receivables - Sale of Miscellaneous Acquisitions：		
Affiliate	$ -	$ 2,097

Receivables from related parties mainly come from the provision of labor services and the sale of spare parts of machinery and equipment. The receivables are unsecured and interest-bearing.

3. Payables to related parties

	December 31, 2021	December 31, 2020
Other payables:		
Ultimate parent company	$ -	$ 646
Other payables: leasing:		
Ultimate parent company	$ 239	$ 93

Related Party Payables mainly come from labor and leasing services provided by related parties and payables do not come with interest.

Other transactions

		Amount of transaction	
	Accounting subject	2022	2021
Ultimate parent company	Rental receipt	$ 3,066	$ 831
Ultimate parent company	Receipt of processing services	$ 12,434	$ 6,571

(IV) Information about Remunerations to the Major Management:

	2022	2021
Short-term employee benefits	$ 28,109	$ 29,361
Benefits after retirement	$ 450	$ 558
Total	$ 28,559	$ 29,919

VIII. Pledged Assets

Assets pledged as collateral by the Group are enumerated as follows:

	Book value		
Assets	December 31, 2022	December 31, 2021	Collateral purpose
Hypothecated time deposits (financial assets account measured at amortized cost - non-current)	$ 21,700	$ 46,700	Customs security

IX. Significant contingent liabilities and unrecognized commitments

Capital expenditures contracted but not yet incurred

	December 31, 2022	December 31, 2021
Property, plant, and equipment	$ 106,408	$ 832,810

X. Significant losses from disasters

No.

XI. Material subsequent events

The Company resolved and approved the appropriation plan of net income for the year 2022 by the board of directors on March 6, 2023. Please refer to Note 6 (14) for details.

XII. Others

(1) Financial situation

The Group's strategy in the year of 2022 remains the same as that in the year of 2021, with the aim of reducing the debt-to-capital ratio to a reasonable level of risk. As of 2022 and December 31, 2021, the Group's debt-to-capital ratios were as follows:

	December 31, 2022	December 31, 2021
Total borrowing	$ 846,000	$ 746,000
Less: cash and cash equivalent	(1,719,592)	(1,603,413)
Net debt	(873,592)	(857,413)
Total equity	5,853,916	4,875,910
Total capital	$ 4,980,324	$ 4,018,497
Capital and liabilities ratio	-	-

(2) Financial Instruments

1. Types of Financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 1,719,592	$ 1,603,413
Financial assets measured at amortized cost (including noncurrent)	1,255,550	821,740
Accounts receivable	915,405	761,947
Accounts receivable - related parties	2,088	991
Other receivables	11,952	1,913
Other receivables- related parties	-	2,097
Refundable Deposits	5,490	4,503
	$ 3,910,077	$ 3,196,604

	December 31, 2022	December 31, 2021
Financial liability		
Financial liabilities measured at amortized cost		
Accounts payable	$ 72,120	$ 99,450
Account payables – related parties	-	646
Other payables	448,485	497,744
Other accounts payable - related parties	239	93
Long-term loans (including whose due within one year or one operating cycle)	846,000	746,000
Guarantee deposits	6,448	266
	$ 1,373,292	$ 1,344,199
Lease obligations (including non-current)	$ 7,845	$ 8,078

2. Risk Management Policy

(1) The Board of Directors shall fully take the responsibilities for establishment and supervision of the risk management structure of the Group, and take the responsibilities for development and control of the risk management policies of the Group.

(2) The risk management policy of the Group is established to identify and analyze risks encountered by the Group, set appropriate risk limits and control, and supervise the compliance of risks and risk limits. Risk management policies and systems are periodically reviewed to reflect changes in market conditions and the Group's operations. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(3) The Audit Committee of the Group shall supervise the management to monitor the compliance of the Group's risk management policies and procedures, and review the appropriateness of the Group's relevant management framework for the risks encountered. Internal auditors assist the Group's audit committee in a supervision role. These officers conduct review on risk management controls and procedures and report the review results to the Audit Committee.

3. Nature and degree of significant financial risks

(1) Market risk

<u>Foreign currency risk</u>

A. The functional currency of the Company is New Taiwan Dollar and the functional currency of the subsidiary is United States Dollar. Therefore, the information of foreign currency assets and liabilities affected by significant exchange rate fluctuations is as follows:

		December 31, 2022		
		Foreign Currency (in thousands)	Exchange rate	Carrying amount (NT$)
(Foreign currency: functional currency)				
Financial asset				
Monetary items				
US$:NT$	$	38,161	30.710 $	1,171,924
NT$:US$		272,797	0.033	272,797
Financial liability				
Monetary items				
US$:NT$	$	513	30.710 $	15,754
NT$:US$		1,035,997	0.033	1,035,997

		December 31, 2021		
		Foreign Currency (in thousands)	Exchange rate	Carrying amount (NT$)
(Foreign currency: functional currency)				
Financial asset				
Monetary items				
US$:NT$	$	19,785	27.68 $	547,649
NT$:US$		442,662	0.036	442,662
Financial liability				
Monetary items				
US$:NT$	$	696	27.68 $	19,265
NT$:US$		1,014,687	0.036	1,014,687

B. Monetary items of the Group due to flotation of exchange rate and significant impacts recognized in disclosure of total exchange profits(losses) at the accumulated amounts of $39,274 and ($23,840) respectively for 2022 and 2021.

C. The table below illustrates assets and liabilities denominated in foreign currencies of which the values were materially affected by the exchange rate volatility:

	2022		
	Sensitivity analysis		
	Range of change	Affect the profit and loss	Affect other comprehensive income
(Foreign currency: functional currency)			
Financial asset			
Monetary items			
US$:NT$	1%	$ 11,719	$ -
NT$:US$	1%	2,728	-
Financial liability			
Monetary items			
US$:NT$	1%	($ 158)	$ -
NT$:US$	1%	(10,360)	-

	2021		
	Sensitivity analysis		
	Range of change	Affect the profit and loss	Affect other comprehensive income
(Foreign currency: functional currency)			
Financial asset			
Monetary items			
US$:NT$	1%	$ 5,476	$ -
NT$:US$	1%	4,427	-
Financial liability			
Monetary items			
US$:NT$	1%	($ 193)	$ -
NT$:US$	1%	(10,147)	-

Cash flow interest rate risk and fair value interest rate risk

A. Interest rate risk of the Group mainly comes from long-term loans issued according to floating rates that expose the Group to interest rate risk of cash flow. In 2022 and 2021, loans of the Group issued according to floating rates are mainly calculated according to New Taiwan Dollars.

B. Loans of the Group are measured according to costs after amortization and values will be re-evaluated according to annual interest rates stated in contracts. Thus, the Group exposes to risk of any interest rate change in future market.

C. When any interest rate of loan increased or decreased 1% and all other factors remained unchanged, in 2022 and 2021, net profit before tax respectively reduce or increase \$8,460 and \$7,460 respectively mainly due to changes of interest expenses arising according to flowing rates of loans.

(2) Credit risk

A. The Group's credit risk is the risk of financial loss to the Group due to the failure of the customer or counterparty of the financial instrument to perform its contractual obligations, which are mainly resulted from the failure of the counterparty to pay off accounts receivable payable on the terms of collection and the contractual cash flow.

B. The Group manages its credit risk from the perspective of the Group as a whole. Manage and conduct analysis of credit risk prior to determining the terms and conditions for payment and delivery in accordance with the internal credit policy explicitly stated. Internal risk control is conducted in consideration of the financial position, experience in the past and other factors of the customers for assessment of their credit quality. The limits of individual risks are determined on the basis of internal or external rating with routine monitoring of the consumption of credit limit.

C. According to the risk management procedure of the Group, if a specific counterparty fails to make payment in accordance with the agreed terms and conditions of payment and overdue for a certain period, it shall be construed as an act of breach.

D. The Group based on the rating of the customers to classify account receivable and contract assets of customers into two categories, and estimate credit loss on the basis of a simplified method of preparation matrix.

E. The Group adopts IFRS 9 in making the following assumption for judgment of possible significant rise of credit risk inherent to the financial instruments after initial recognition:

Suppose specific account is overdue for more than 30 days under the agreed terms and conditions of payment. In that case, it shall be construed as significant risk of credit risk of the financial instrument after initial recognition.

F. The Group uses the following indicators to judge credit impairment of the investment of debt instruments:

(A) High level of insolvency to the issuer, or proceeding to bankruptcy or very likely of financial restructuring:

(B) The financial asset lost its active market due to the insolvency of the issuer.

(C) The issuer delays or declines to pay interest or the principal.

(D) Unfavorable economic change nationwide or in the region that caused the default of the issuer.

G. The Group mainly provides specific customers with semiconductor wafer packaging and testing services. Therefore, the Group assesses the credit risk of individual customers and adjusts loss rate according to the specific historical and current information, considering future prospects, to estimate the loss allowance on accounts receivable. The preparation matrix of the Group as of December 31, 2022 and December 31, 2021 is shown as follows:

	Not overdue	Overdue within 30 days	Overdue 31-90 days	Overdue 91-180 days	Overdue more than 181 days	Total
December 31, 2022						
Expected loss rate	0.110%	0.190%	3.66%~7.74%	50%	50%-100%	
Total book value	$ 711,484	$ 69,981	$ 3,978	$ 5	$ -	$ 785,448
Provision for bad debts	$ -	$ -	$ -	$ -	$ -	$ -
December 31, 2021						
Expected loss rate	0.001%	0.001%	30%	50%	50%-100%	
Total book value	$ 601,256	$ 46,146	$ 1,729	$ 498	$ -	$ 649,629
Provision for bad debts	$ -	$ -	$ -	$ -	$ -	$ -

H. The Group has no written off liabilities in 2022 and on December 31, 2021.

I. Information of current investments in debt instrument and credit rating after amortized by costs is shown below:

	December 31, 2022			
	According to duration			
	12 months	Significant increase of credit risk Significant increases	Reduce of credit Impairment losses	Total
Financial loans measured according to cost amortization	$1,255,550	$ -	$ -	$1,255,550

	December 31, 2021			
	According to duration			
	12 months	Significant increase of credit risk Significant increases	Reduce of credit Impairment losses	Total
Financial loans measured according to cost amortization	$ 821,740	$ -	$ -	$ 821,740

Financial assets measured according to cost amortization held by the Group

Are bank time deposit and time deposit mortgaged and have no major anomalies of credit risk.

(3) Liquidity risk

A. The details of the Group's undrawn borrowing facilities are as follows:

	December 31, 2022	December 31, 2021
Fixed interest rate		
Due within 1 year	$ 766,800	$ 1,251,978
Due for more than 1 year	600,000	1,553,000
	$ 1,366,800	$ 2,804,978

B. The table below analyzes the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings, based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities, and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2022	Less than 6 months	Between 6 months to 1 year	Between 1 to 2 years	Between 2 to 5 years
Non-derivative financial liabilities:				
Accounts payable	$ 72,120	$ -	$ -	$ -
Other payables	448,485	-	-	-
Other payables - related parties	239	-	-	-
Leasing obligations	1,058	852	1,441	4,738
Guarantee Deposit	-	-	-	6,448
Long-term loans (including those due within one year or one business circle)	17,443	45,656	295,882	511,360

December 31, 2021	Less than 6 months	Between 6 months to 1 year	Between 1 to 2 years	Between 2 to 5 years
Non-derivative financial liabilities:				
Accounts payable	$ 99,450	$ -	$ -	$ -
Account payables – related parties	646	-	-	-
Other payables	497,744	-	-	-
Other payables - related parties	93	-	-	-
Leasing obligations	1,326	1,308	1,475	4,201
Guarantee Deposit	-	-	-	267
Long-term loans (including those due within one year or one business circle)	1,888	1,909	56,915	697,460

(3) Fair value information:

1. The Group does not have financial instruments measured at fair value.
2. Financial tools not measured with fair values

Book values of cash and cash equivalents, receivables (including related parties), other receivables (including related parties), financial assets measured according to cost amortization, refundable deposits, short-term borrowings, payables (including related parties), long-term liabilities matured within one year, long-term liabilities, and deposit received of the Group have reasonably close conformity with fair price.

(4) Impact of the novel coronavirus on the operation of the company:

It has been assessed that the novel coronavirus pneumonia has no material impact on the Group's continued operations, asset impairment and financing risks。

XIII. Additional disclosure

(I) Information about significant transactions:

1. Loans to others: Please refer to Appendix Table 1.
2. Endorsements and guarantees: Please refer to Appendix Table 2.

3. Marketable securities held (excluding investments in subsidiaries, affiliates, and jointly control identities): None
4. Accumulated to buy or sell the same marketable securities amount to NT$300 million or more than 20% of the paid-up capital: None
5. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None
6. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None
7. The amount of purchase and sales with related parties amounts to NT$100 million or more than 20% of the paid-up capital: Please refer to Appendix Table 3
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None
9. Information about the derivative financial instruments transaction: None.
10. The business relationship between the parent company and its subsidiaries and their subsidiaries, and the status and amount of important transactions: Please refer to Appendix Table 4.

(II) Information on reinvestment

Name of investee companies, location, and other relevant information (excluding investee companies in Mainland China): Please refer to Appendix Table 5.

(III) Information on investment in mainland China

No.

(IV) Information on dominant shareholders

Please refer to Appendix Table 6

XIV. About operating departments

(I) General information:

There are two reporting divisions in the Group: Testing Division and Packaging Division.

(II) Measurement of segment information

The Group has apportioned its non-recurring profit and loss to the reporting department. In addition, all reported department profits and losses include significant non-cash items other than depreciation and amortization. The amount of departmental information reported is consistent with the amount used by operational decision makers. The accounting policies of the operating departments are the same as the important accounting policies of the Group. The Group's operating departments' profit and loss are measured by sales income and net profit before tax, and serve as the basis for assessing the performance of the departments.

(III) Information on segment profit or loss, and assets and liabilities

The financial information of reportable segments provided to chief operating decision maker is as follows:

2022	Testing business segment	Bumping business segment	Plant development business segment	Adjustment and elimination	Total
External revenue	$ 1,840,072	$ 2,536,326	-	($ 429,246)	$ 3,947,152
Depreciation and amortization expenses	$ 304,729	$ 334,673	-	$ -	$ 639,402
Segment Income	$ 856,682	$ 200,234	(50)	$ -	$ 1,056,866
Segment assets	$ 954,250	$ 56,392	-	$ -	$ 1,010,642

2021	Testing business segment	Bumping business segment	Adjustment and elimination	Total
External revenue	$ 1,162,807	$ 2,283,149	($ 359,564)	$ 3,086,392
Depreciation and amortization expenses	$ 205,913	$ 423,854	($ -)	$ 629,767
Segment Income	$ 379,098	$ 101,292	($ -)	$ 480,390
Segment assets	$ 685,566	$ 847,339	$ -	$ 1,532,905

December 31, 2022	Testing business segment	Bumping business segment	Plant development business segment	Adjustment and elimination	Total
Segment assets	$ 3,689,588	$ 3,718,800	$ 200,578	($ 155,091)	$ 7,453,875

December 31, 2021	Testing business segment	Bumping business segment	Plant development business segment	Adjustment and elimination	Total
Segment assets	$ 2,240,036	$ 4,204,041	-	($ 105,826)	$ 6,338,251

(IV) Information by product and service:

Please refer to Note VI(XV) for details.

(V) Geographical information:

The geographical information of the Group for 2022 and 2021 is as follows:

	2022		2021	
	Income	Non-current assets	Income	Non-current assets
Taiwan	1,592,921	3,310,222	1,560,603	2,796,994
USA	1,139,673	-	578,549	-
China	599,586	-	336,598	-
Singapore	409,992	-	476,845	-
Other	204,980	-	133,797	-
Total	$ 3,947,152	$ 3,310,222	$ 3,086,392	$ 2,796,994

(VI) Major customer information

Information on major customers of the Group for 2022 and 2021 is as follows:

	2022	2021
	Income	Income
Customer B	922,392	406,885
Customer E	681,505	1,060,567
Customer H	552,999	295,280
Customer G	458,738	361,982
	$ 2,615,634	$ 2,124,714

Winstek Semiconductor Co., Ltd.
Funds Lent to Others
From January 1 to December 31, 2022

Unit: NT$1,000
(unless otherwise specified)

Table 1

Number (Note 1)	Lending company	Borrower	Account (Note 2)	Related party? (Yes/No)	Maximum balance at current period (Note 3)	Ending balance (Note 8)	Actual amount of disbursement	Interest rate collars	Characteristic of fund lent to others (Note 4)	Business transaction amount	Reason for short-term loans	Amount of provision for loss allowance	Collateral Name	Collateral Value	Limit of The Parent Company Only lending (Note 7)	Total limit of funds lent to others (Note 7)	Note
0	Winstek Semiconductor Technology Co., Ltd.	Winstek Semiconductor Co., Ltd.	Other accounts receivable - related parties	Y	$ 805,375	$ 767,750	$ -	1%	2	$ -	Purchase of equipment	$ -	None.	$ -	$ 742,169	$ 742,169	

Note 1: Complete the "Number" column as described below:
(1) Fill "0" in the issuer field.
(2) An Arabic numeral starting from "1" should be filled in the investee field by the company type.

Note 2: If any recorded account receivable from an associate or a related party, account with shareholder, prepayment or provisional payment has the characteristic of fund lent to others, fill it into this column.

Note 3: Maximum balance of funds lent to others in the current year

Note 4: In the "Characteristic of fund lent to others" column, in case of a business transaction, or in case of a short-term loan.

Note 5: If the characteristic of fund lent to other is business transaction, the business transaction amount should be entered; "Business Transaction Amount" refers to the amount of business transactions between the lending company and the borrower in the most recent year.

Note 6: If the characteristic of fund lent to other is short-term loan, the reason for and purpose of such loan issued to the borrower should be specified, such as repayment, equipment acquisition, and operation financing, etc.

Note 7: It is required to fill the limit of The Parent Company Only lending and the total limit of funds lent to others as stated in Longshan’s "Procedures for Lending of Capital" and to explain the calculation methods of such limit and total limit in the "Note" field.

Note 8: If a public company reported such fund lending to the board of directors for resolution on a trade-by-trade basic pursuant to Article 14.1 of the "Guidelines for Fund-Lending and Providing Endorsements and Guarantees by Public Companies", the amount approved by the board of directors should be included in the announced balance to disclose the risk thereof, although such loan has not been issued yet. For subsequent repayment, the balance after repayment should be disclosed to indicate the risk-based adjustment. If the publish company obtains the resolution of the board of directors and the Chairman is authorized to handle the matter within the specific amount of fund lending approved by the board of directors and the lending is authorized in installment or revolver within one year, pursuant to Article 14.2 of the "Guidelines for Fund-Lending and Providing Endorsements and Guarantees by Public Companies", the limit of fund lending approved by the board of directors should be deemed as the balance to be announced and reported. In spite of subsequent refinement, further fund authorization can be considered. Therefore, the limit of fund lending approved by the board of directors should be deemed as the balance to be announced and reported.

Winstek Semiconductor Co., Ltd.
Providing Endorsement/guarantee to Others
From January 1 to December 31, 2022

Unit: NT$1,000
(unless otherwise specified)

Table 2

Number (Note 1)	The name of the company that provides endorsement/guarantee	The object receiving endorsement/guarantee		Maximum amount of endorsement/guarantee for a single enterprise (Note 3)	Maximum balance of endorsement/guarantee for the current period (Note 4)	Balance of endorsement/guarantee at the end of current period (Note 5)	Actual amount drawn (Note 6)	Amount of endorsement/guarantee guaranteed with property	Percentage of aggregated amount of endorsement/guarantee with the net value in the most recent financial reports	Maximum amount of endorsement/guarantee (Note 3)	A parent company provides endorsement/guarantee for its subsidiary (Note 7)	A subsidiary provides endorsement/guarantee for its parent company (Note 7)	The endorsement/guarantee involves Mainland China (Note 7)	Note
		Name of company	Relationship (Note 2)											
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	2	$5,853,916	$ 300,000	$ 300,000	$ -	$ -	5.12%	$ 5,853,916	Y	N	N	

Note 1: The description of the number column is as follows:
(1) The issuer shall fill in 0.
(2) The investees are numbered in alphabetical order beginning with the Arabic numeral 1.

Note 2: Please indicate the relationship between the provider of endorsement/guarantee and the object of endorsement/guarantee, which can be classified into the following six categories:
(1) Companies which are doing business with each other.
(2) Companies of which the Company directly or indirectly holds more than 50% of the voting shares.
(3) Companies of which directly or indirectly hold more than 50% of the voting shares in the Company.
(4) Among companies of which the Company directly or indirectly holds more than 90% of the voting shares.
(5) Companies in the same industry that endorse/guarantee for each other due to the need to contract project; or companies which are endorsed/guaranteed mutually by the same founders under provision of contract.
(6) Companies which are endorsed/guaranteed by all shareholders based on their shareholding percentage due to joint investment.
(7) In accordance with the consumer protection law, Companies in the same industry who perform housing pre-sale contract, are jointly and severally endorsed/guaranteed.

Note 3: The total amount of the Company's external endorsement/guarantee shall not exceed 50% of the Company's most recent net value. The amount of the Company's endorsement/guarantee for a single enterprise shall not exceed 20% of the net value at the time when the company endorses/guarantees.
However, an endorsement/guarantee between the Company and among companies of which the Company directly or indirectly holds 100% of the voting shares, or other companies that the Company has agreed to purchase and upon completion will become a subsidiary of which the Company directly or indirectly holds 100% shares, and approved by a resolution of the Board of Directors, its endorsement/guarantee amount shall not be restricted by the aforesaid total amount of endorsement/guarantee and the limit of endorsement/guarantee for a single enterprise.
However, the endorsement/guarantee to a single enterprise shall not exceed 100% of the net value of the Company in its most recent financial reports audited or reviewed by CPA. In addition, the endorsement/guarantee not between the Company and among companies of which the Company directly or indirectly holds 100% voting shares,
the total cumulative amount of such external endorsements/guarantees shall not exceed 100% of the net value of the Company in its most recent financial reports audited or reviewed by CPA.

Note 4: The maximum balance of endorsement/guarantee for others in the current year.

Note 5: By the end of the year, Chu Fan Company shall undertake the obligation of endorsement/guarantee when the amount of endorsement/guarantee contract/bill signed by it to the bank is approved; Other relevant endorsements/guarantees shall be accounted in the balance of endorsements/guarantees.

Note 6: The actual amount drawn by the company endorsed/guaranteed within the balance of the endorsement/guarantee shall be filled here.

Note 7: To be filled if a listed/OTC parent company provides endorsement/guarantee for its subsidiary, or if a subsidiary provides endorsement/guarantee for its listed/OTC parent company; "Y" shall be filled in if the endorsement/guarantee involves Mainland China

Winstek Semiconductor Co., Ltd.
The amount in purchase or sale with related-party amounting to NT$100 million or more than 20% of the paid-in capital
From January 1 to December 31, 2022

Unit: NT$1,000
(unless otherwise specified)

Table 3

Purchase (Sale) Company	Name of Counterparty	Relationship	Transaction Nature: Purchase (Sale)	Transaction Nature: Amount	Transaction Nature: Proportion of total Purchase (Sales)	Transaction Nature: Credit period	Nature and reasons for the difference between trade terms and general trade (Note 1): Unit Price	Nature and reasons for the difference between trade terms and general trade (Note 1): Credit period	Bills and accounts receivable (payable): Balance	Bills and accounts receivable (payable): Proportion of total Bills and accounts receivable (payable)	Notes
Winstek Semiconductor Corporation	Winstek Semiconductor Technology Corporation	Subsidiary	Sale	($427,227)	(23%)	Monthly settlement 30 days	-	-	$ 98,561	18%	
Winstek Semiconductor Technology Corporation	Winstek Semiconductor Corporation	Parent company	Purchase	427,227	19%	Monthly settlement 30 days	-	-	(98,561)	59%	

Note 1: For the sales transactions between the Company and the interested persons, the transaction prices and the collection conditions have no significant differences from those with others having no interests, and the transaction conditions are determined by both parties concerned through negotiations.

Winstek Semiconductor Co., Ltd.
Business relation and important transactions between the parent company and subsidiaries, and among the subsidiaries, and the amount
From January 1 to December 31, 2022

Unit: NT$1,000
(unless otherwise specified)

Table 4

Serial No. (Note 1)	Name of Related Company	Counterparty	Relationship With the Counterparty (Note 2)	Transaction Nature: Account	Transaction Nature: Amount	Transaction Nature: Trade Terms	Transaction Nature: As a Percentage of Consolidated Revenues or Total Assets (Note 3)
0	Winstek Semiconductor Corporation	Winstek Semiconductor Technology Corporation	1	Sales revenue	$ 427,227	It is to be processed in accordance with the price and conditions agreed by both parties.	10.82%
0	Winstek Semiconductor Corporation	Winstek Semiconductor Technology Corporation	1	Accounts receivable	98,651	It is to be processed in accordance with the price and conditions agreed by both parties.	1.32%
0	Winstek Semiconductor Corporation	Winstek Semiconductor Technology Corporation	1	Other receivables	54,839		0.74%
0	Winstek Semiconductor Corporation	Winstek Semiconductor Technology Corporation	1	Dividend income	76,982	-	1.95%
0	Winstek Semiconductor Corporation	Winstek Semiconductor Technology Corporation	1	Business overall management income (Accounting operating costs and deductions of operating expenses)	34,202	-	0.87%

Note 1: Business dealings between the parent company and subsidiaries are indicated in the serial number column. The numbering rule is explained below:
(1). 0 for parent company.
(2). Each subsidiary is numbered in sequential order starting from 1.

Note 2: Related party transactions are distinguished into one of three categories, as shown below. Only the category is indicated (no duplicate disclosure is made on two counterparties of the same transaction. For example, in a parent-to-subsidiary transaction, no disclosure is made on the subsidiary's end if disclosure has already been made on the parent company's end; in a subsidiary-to-subsidiary transaction, no disclosure is made on one subsidiary's end if disclosure has already been made on the other subsidiary):
(1). Parent to subsidiary.
(2). Subsidiary to parent.
(3). Subsidiary to subsidiary.

Note 3: Calculation for business dealings as a percentage of consolidated total revenues or total assets is explained as follows: for balance sheet items, percentage relative to total assets is calculated using end-of-period balances; for profit and loss accounts, percentage relative to total revenues is calculated using cumulative amount and cumulative total revenues.

Note 4: If the single transaction amount is for less than NT$20,000, it needs not be disclosed, and the relative transactions will no longer be disclosed.

Winstek Semiconductor Co., Ltd.
Name, Location, and Other Relevant Information of the Investee Companies (excluding Investee Companies in Mainland China)
From January 1 to December 31, 2022

Unit: NT$1,000
(unless otherwise specified)

Table 5

Name of investing company	Name of the investee company (Notes 1, 2)	Location	Main business items	Original investment amount		Holding at the end of period			Profit and loss of investee company in the current period (Note 2(2))	Investment gains and losses recognized in the current period (Note 2(3))	Note
				At the end of this period	At the end of last year	Number of shares	Ratio	Carrying amount			
Winstek Semiconductor Corporation	Winstek Semiconductor Technology Corporation	Taiwan	Wafer bumping and wafer level packaging services	$ 1,875,740	$ 2,875,740	210,000,000	100%	$ 2,473,897	$ 226,308	$ 226,308	
Winstek Semiconductor Corporation	TST Co., Ltd.	Taiwan	Plant development and leasing	200,000	-	20,000,000	100%	200,462	462	462	Note 3

Note 1: If a public company has a foreign holding company and the consolidated financial report is the main financial report according to local laws and regulations, the disclosure of information about the foreign investee may only include the relevant information of the holding company.

Note 2: In cases other than those described in Note 1, the following information shall be provided:

(1) The columns of "Name of the investee company", "Location", "Main business items", "Original investment amount" and "Shareholding at the end of period", etc., shall be filled in in order according to the reinvestment situation of the (public) company and each reinvestment situation of the investee company under direct or indirect control. The relationship between each investee company and the (public) company (if it is a subsidiary or sub-subsidiary) shall be indicated in the remarks column.

(2) In the column B of "Profit and loss of investee company in the current period", the current profit and loss amount of each investee shall be filled in.

(3) In the column B of "investment gains and losses recognized in the current period", only the recognized profit and loss amount of each directly reinvested subsidiary of this (public) Company and each investee assessed by equity method shall be filled in, and the balance is not required to be filled in. When filling in "recognized profit and loss amount of each directly reinvested subsidiary for the current period", it shall be confirmed that the amount of profit and loss of each subsidiary for the current period has included the reinvestment profit and loss that should be recognized as investment profit and loss according to provisions

Note 3: TST Co., Ltd. was established on May 10, 2022 and the Group invested the capital of $200,000 to acquire 100% ownership.

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Winstek Semiconductor Co., Ltd.
Information on dominant shareholders
From January 1 to December 31, 2022

Table 6

Name of major shareholders	Shares of Stock	
	Quantity of shareholdings	The ratio of shareholding
Ge-Shing Corporation	70,726,438	51.90%

Note 1: The information on the major shareholders listed in this Form is about that concerning the ordinary shares and special shares (that are completed but without physical delivery, as calculated by CHEP) (including the treasury stocks) totaling up to 5%. The capital stocks as stated in the financial reports of the Company and the stocks that are factually completed but without physical delivery may be different or varied because of the preparation and calculation basis.

Note 2: If the abovementioned data is about the shares held by the shareholders and delivered to a trust, it will be disclosed by the accounts of the principals (that are opened by the agent by means of trust accounts). As for the declaration of the insiders' equities with the shareholding percentage over 10% as handled by the shareholders according to the securities exchange acts, their equities shall include their own shares plus the shares that are delivered to the trust and have the right to make decisions on how to use them, etc. As for the data about the declaration of the insiders' equities, please refer to the open information observation station.